

Module -2

Name : **BANKING ASSOCIATE**
Sector : **Banking & Accounting**
Code : **BAN202**
Entry Qualification : **12th + BAN101**
Age : **18 yrs.**

Terminal Competency: On successful completion of training one should be able to carry out various banking transactions such as deposits, credit, financing and services interest and EMI calculation using IT enabled services used in the banking sector.

Duration : 300 hours

| Practical Competencies | Underpinning Knowledge(Theory) |
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| Indian Financial System | |
| <p>Group Discussion on</p> <ul style="list-style-type: none"> • Banking functions, Retail & wholesale banking & RBI laws & regulations governing banks. • Mutual Funds – Role& functions, AMFI & SEBI guidelines for mutual fund • Insurance Companies – Role & functions & IRDA regulations governing Insurance Companies • Risk Management as applied to in banks | <ul style="list-style-type: none"> • Recent developments in the Indian Financial system – market structure & financial innovation. RBI, SEBI, IRDA etc & their major functions. • Role & functions of banks – Regulatory enactments governing banks. • Retail & Wholesale banking. • Role & functions of Capital markets & Mutual Funds. • Role & functions of Insurance Companies & Bank assurance. • Importance of risk management in banks. • Alliances/mergers/consolidation. • Participatory Notes. • Credit Information Bureau Ltd. • Fair practices for debt collection. • Banking Codes & Standard Boards. |

| Functions of banks | |
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| <ul style="list-style-type: none"> • KYC norms which banks have to compulsorily adhere to along with documents required for this purpose • Importance of Anti Money Laundering(AML) guidelines • Visit to various bank branches to get a first hand feel of their functioning as well as gather knowledge of the different products & services offered by them | <p>Deposits:</p> <ul style="list-style-type: none"> • Banker-Customer relations, KYC guidelines, different Deposit products & services offered by banks. • Mandate & Power of attorney – <p>Banker's lien. right of set off, garnishee order, Income tax attachment order etc.</p> <ul style="list-style-type: none"> • Payment & collection of cheque. • Account opening for various types of customers – minors, joint account, HUF, firms, companies, trusts, societies, Govt & public bodies. Importance of AML. <p>Credit :</p> <ul style="list-style-type: none"> • Principles of lending. • Different types of documents, documentation procedures. • Different modes of charging, types of collaterals & their characteristics, Priority sector lending |
| Agriculture/SMEs/SHGs/SSI/Tiny sector financing | |
| <ul style="list-style-type: none"> • Discussion on the practices & procedures of Bank assurance & Mutual Funds. • Discussing the procedures adopted for selling credit cards, home loans & personal loans • Understanding <ul style="list-style-type: none"> - The concept of Electronic & Core Banking - The various distribution channels - Electronic fund transfer systems like NEFT & RTGS | <ul style="list-style-type: none"> • New products & services – Factoring, securitization, bank assurance, mutual funds etc. • Credit cards/home loans/personal loans – brief outline of procedures & practices. • Ancillary services – remittances, safe deposit lockers etc. <p>Banking Technology :</p> <ul style="list-style-type: none"> • Electronic Banking- Core Banking -Electronic products • Banking Technology – Distribution channels - Teller Machines at the Bank counters – Cash dispensers - ATMs – |

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| <ul style="list-style-type: none"> • Visit to banks to get a firsthand knowledge of the current trends in IT & role of IT in banking | <p>Anywhere Anytime Banking - Home banking (Corporate and personal) - electronic payment systems.</p> <ul style="list-style-type: none"> • On line Banking - Online enquiry and update facilities - Personal identification numbers and their use in conjunction with magnetic cards of both credit and debit cards, smart cards, signature storage and display by electronic means, cheque truncation, microfiche, note and coin counting devices. • Electronic funds transfer systems - plain messages (Telex or data communication) <p>Structured messages (SWIFT, etc...) – RTGS.</p> <ul style="list-style-type: none"> • Information Technology - Current trends - Bank net, RBI net, Data net, Nicnet, I-net, Internet, E-mail, etc.. Role and uses of technology up gradation - Global developments in Banking Technology - Information Technology in finance and service delivery Impact of Technology on Banks - Protecting the confidentiality and secrecy of data - effect on customers and service quality - Computer Audit -Information System Audit. • Information System Security and Disaster Management. |
| <p>Support Services – Marketing of Banking</p> | |
| <ul style="list-style-type: none"> • Detailed study of <ul style="list-style-type: none"> - Life cycle of bank products, its modification, development & packaging - Product pricing & factors influencing it - Direct & indirect Distribution | <p>Services Products :</p> <ul style="list-style-type: none"> • Marketing Management - Meaning, Importance and Functions - Marketing of Services. • Product Research & Development - Test marketing of bank products - Product Life Cycle - Product Modification - |

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| <p style="text-align: center;">Channels</p> <ul style="list-style-type: none"> - Role of DSA/DMA in Bank Marketing <p>This has to be supplemented with visit to banks to understand the practical concepts of the above mentioned topics.</p> | <p>New Product Development - Packaging and Branding of bank products – Diversification.</p> <ul style="list-style-type: none"> • Pricing of bank products and services - Objectives, Strategies and Methods. Factors Influencing the Pricing Decisions, Importance of Pricing. • Distribution - Factors Influencing - Direct and Indirect Channels of bank products - Physical Distribution. • Channel Functions and Services – <p>Promotion - Promotion Mix and Role of Promotion in Marketing - Marketing Information Systems.</p> <ul style="list-style-type: none"> • Role of DSA/DMA in Bank Marketing. • Channel Management. • Selling function in a bank. • Portfolio and Wealth Management. • Tele marketing/Mobile Phone banking. |
| Basics of Business Mathematics | |
| <ul style="list-style-type: none"> • Solving numerical on <ul style="list-style-type: none"> - Simple & Compound Interest - Fixed & Floating Interest rates - Calculation of EMIs - Calculation of Annuities - Calculation of YTM of Bonds | <ul style="list-style-type: none"> • Bonds - Calculation of YTM • - Duration - Bond Pricing - Premium and Discount -Bond valuation rules preliminary method, definition of debt, rules on compounding in respect of loan accounts, penal interest etc. • Capital Budgeting - Discounted cash flow - net present value - pay back methods. • Depreciation - different types - methods of calculation. • Foreign Exchange Arithmetic for beginners. |
| Accounting in Banks/Branches | |
| <ul style="list-style-type: none"> • Visit to banks to | <ul style="list-style-type: none"> • Definition & Scope and Accounting Standards - Nature |

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| <ul style="list-style-type: none"> - Understand the accounting practices followed by them - To understand various banking records like Journals, Ledgers & Trial Balance | <p>and purpose of accounting; historical perspectives - Origins of accounting principles - accounting standards and its definition and Scope.</p> <ul style="list-style-type: none"> • Generally Accepted Accounting Principles - USA • Transfer Price mechanism • Basic Accountancy Procedures - Concepts of accountancy - entity going concern - double entry systems, Principles of conservatism - revenue recognition and realization - accrual and cash basis. • Record keeping basics -account categories - debit and credit concepts - journalizing - Maintenance of Cash/ Subsidiary books and Ledger -Trial Balance - Adjusting and Closing entries - Day Book and General Ledger Posting. |
| <p>Bank Accounting Balance Sheet</p> | |
| <ul style="list-style-type: none"> • - Understanding <ul style="list-style-type: none"> - Bank Balance Sheet structure - Preparation of Final Accounts - Partnership Accounts - Current/Capital/Loan Account | <ul style="list-style-type: none"> • Rules for bank accounts, cash/clearing/transfer vouchers/system - subsidiary book and main day book - General Ledger – Branch v/s Bank Accounts. • Bank Balance Sheet Structure - accounts categories -Assets, Liabilities and Net Worth Components. • Accounting for NPA /Provisioning/Suit Filed Accounts. • Preparation of Final Accounts - Final Accounts of Banking Companies. • Disclosure requirements. |
| <p>Other Accounts</p> | |

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| <ul style="list-style-type: none"> • Study of methods & procedures of Electronic Accounting • Understanding the concept of Core Banking & analyzing Standard Books maintained for different accounts | <ul style="list-style-type: none"> • Partnership accounts - partner's fixed capital accounts - Current accounts - loan accounts - treatment of intangibles like goodwill - admission / retirement / death of partner. • Company accounts - classes of Share Capital - issue/ forfeiture of Shares -issue of Bonus Shares. • Bank reconciliation statement - Capital & Revenue Expenditure/ Depreciation/ Inventory Valuation/Bill of Exchange/ Consignment Account / Joint Venture - Special accounts - Leasing and Hire-Purchase Company accounts – Accounts of Non - Trading Concerns - Accounting from incomplete records – Receipts & Payments Account – Income & Expenditure Account, Ratio Analysis. <p>Computerized Accounting:</p> <ul style="list-style-type: none"> • Accounting in electronic environment - methods - procedures - security - rectification. • Core banking environment is to be highlighted. Standard books maintained for different accounts are to be shown as model |
| <p>Regulations & Compliance</p> | |
| <ul style="list-style-type: none"> • Knowing the provisions of RBI Act 1935 & Banking Regulation Act 1949 • Detailed study of RBI's powers in <ul style="list-style-type: none"> - Opening of new banks & branch licensing - Constitution of Board of Directors & their rights | <p>A. Provisions of RBI Act 1935 ,Banking Regulation Act 1949 Banking Companies [Acquisition and transfer of undertakings Act 1970 & 1980].</p> <p>B. Government & RBI's powers – Opening of new banks and branch licensing – Constitution of board of</p> |

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| <ul style="list-style-type: none"> - Banks shareholders & their rights - CRR/SLR concepts <ul style="list-style-type: none"> • Study of case laws on banker's responsibility • Scope&applicationof Indemnities/Guarantees • Obligations, precautions & rights of a banker • Laws relating to finance bill & securities • Valuation of securities & modes of charging securities like lien, pledge, mortgage & hypothecation <ul style="list-style-type: none"> • Understanding the <ul style="list-style-type: none"> - Consumer Protection Act 1986 - Functions & role of Banking Ombudsman | <p>directors and their rights</p> <ul style="list-style-type: none"> - Banks share holders and their rights - CRR/SLR concepts - Cash/currency management - Winding up - amalgamation and mergers - Powers to control advances - selective credit control - monetary and credit policy - Audit and Inspection - Supervision and control - board <p>for financial supervision - its</p> <ul style="list-style-type: none"> - Disclosure of accounts and balance sheets - Submission of returns to RBI etc. - Corporate Governance <p>Legal aspects of banking operations:</p> <ul style="list-style-type: none"> • Case laws on responsibility of paying /collecting banker. • Indemnities/guarantees - scope and application - obligations of a banker - precautions and rights- laws relating to bill finance, LC and Deferred Payments - Laws relating to securities - valuation of securities - modes of charging securities - lien, pledge, mortgage, hypothecation etc - <ul style="list-style-type: none"> • registration of firms/companies - creation of charge and satisfaction of charge <p>Banking Related Laws:</p> <ul style="list-style-type: none"> • Law of limitation. • Provisions of Bankers Book Evidence Act. • Special features of Recovery of Debts Due to Banks and Financial Institutions Act, 1993 |
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| | <p>Laundering Money Act (iii) Right to Information Act (iv) Information Technology Act.</p> |
| Home Loan : Practice & Procedure | |
| <ul style="list-style-type: none"> • Discussion on <ul style="list-style-type: none"> - Evolution of Housing Finance & leading financiers in India - Home Loan application, its processing & terms & conditions - Guidelines on KYC & Anti Money Laundering | <ul style="list-style-type: none"> • Overview of housing finance- housing and economic development-evolution of housing finance in India and leading financiers in the field • Basics of housing finance • Essentials of a home loan proposal- quantum of finance - interest- tenure - security – terms & conditions • Processing home loan application • Lenders appraisal procedure- pre-sanction stage- sanction- documentation - insurance- monitoring-inspection- credit rating • Other lending schemes- finance to private builders- take over of loans from other institutions- home loans to NRIs • Housing finance in metro cities- local laws and requirements • RBI guidelines on Housing Finance • National Housing banks guidelines on Know your Customer - Anti Money Laundering- Project finance Policy- Fair Practices code for HFCs |

TOOLS AND EQUIPMENTS

EQUIPMENTS/TOOLS REQUIRED FOR CLASS ROOM

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| Computer | : | 15 computers on twin sharing basis |
| LCD Projector | : | 1 |
| Projection Screen/ LCD TV | : | 1 |
| White/Black Boards / Interactive Boards | : | 1 |
| Flip Chart Holder | : | 2 Nos |
| Chairs with front writing boards | : | 30 numbers |
| Public Address System (PAS) | : | 1 set of sound boxes, amplifier, collar and stand mikes, camera |

(Note: - For practical classes the students will have to be taken to the operational offices of banking company with prior arrangement.)

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| Display Poster of Various sizes of different companies | : | 10 |
| Types of sales literature, pamphlets, brochures, proposal forms, prospectus forms etc. | : | 100 |
| Executive Bags for each candidate | : | 30 |
| Study material, writing pad, pen and calculation charts | : | 30 |