

Bachelor in Commerce (B.Com)

I- SEMESTER

(5 Hours per Week)

Course Code: (B.Com. Core : II.6) **LAW AND PRACTICE OF BANKING**

Course Objective: To enable the students to understand the Laws of Banking Operations and practical functioning of the Banks.

Pedagogy: A Combination of Class-room Lectures, Case Study Analysis, Group Discussion, Student Presentations and Field Work.

Course Inputs

Module 1: Banker and Customer **16 Hours**

Definition of Banker and customer, Relationship between banker and customer- primary and secondary, Banker's rights and obligations.

Module 2: Customer and account opening procedure **16 Hours**

Types of accounts- account opening procedure (KYC norms) ; Special types of customers- Minor, joint account, HUF, Partnership account, joint stock company (public and private), Non Resident Indian account, Registered and unregistered societies and clubs- precautions to be taken by the banker while opening and operating the accounts.

Module 3: Negotiable Instruments **16 Hours**

Meaning of negotiable instrument, definition, essentials- Kinds of negotiable instrument- Promissory Note, Bill of Exchange and Cheque- Meaning, Definition, Essentials of valid cheque, types, crossing of cheque- types of crossing, material alteration and endorsement- types of endorsement.

Module 4: : BANKING OPERATIONS **18 Hours**

Collecting Banker: Meaning – Duties & Responsibilities of Collecting Banker – Holder for Value – Holder in-Due Course - Statutory Protection to Collecting Banker

Paying Banker: Meaning – Precautions – Statutory Protection to the Paying Banker – Dishonor of Cheques – Grounds of Dishonor – Consequences of wrongful dishonor of Cheques.

Lending Operations: Principles of Bank Lending – Kinds of lending facilities such as Loans, Cash Credit, Overdraft, Bills Discounting, Letters of Credit – NPA: Meaning, circumstances & impact – regulations of priority lending for commercial banks.

Module 5: Technology in Banks **10 Hours**

Internet banking, ATM, E- banking, core banking, online banking, Tele banking- Meaning and operation.

Module 6: Inculcation of soft skills **04 Hours**

1. Prepare a write up on Electronic fund transfer- NEFT and RTGS used in Nationalised Commercial Banks.
2. Report the Procedure and Provisions adopted by nationalized bank for lending education loan.

Skill Development Activities

1. Collect and fill in the account opening form, pay-in-slip and withdrawal slip.
2. Draft a proforma of a cheque and showing different types of crossing.
3. Visit a nearest ATM and report procedure for using ATM cards.

Books for Reference

1. Gordon & Natarajan: Banking Theory Law and Practice, Himalaya publishing house.
2. S. P. Srivastava ; Banking Theory & Practice, Anmol Publications
3. Reddy and Appannaiah; Law and practice of banking, Himalaya publishing house.
4. Tandon M.L: Banking Law and Practice in India, Indian Law House
5. Sheldon H.P: Practice and Law of Banking.
6. K. Venkataramana, Banking Operations, SHBP
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