

## **PAPER CODE: BB605: BANKING & INSURANCE**

### **Learning Objectives:**

- To make the students understand the various services offered and various risks faced by banks
- To make them aware of various banking innovations after nationalization To give them an overview about insurance industry
- To make the students understand various principles, provisions that govern the Life General Insurance Contracts

### **UNIT I: INTRODUCTION TO BANK:**

Meaning of Financial Services - Structure of Indian Financial System - Definition of Bank - Banker and Customer Definition and their Relationship - Types of Customers and Modes of Operations - Procedure and Precaution for Opening an Account - Pass book & its Features - Rights, Duties and Obligations of the Payee Banker. Functions of Commercial Banks and Reserve Bank of India.

### **UNIT II: BANKING SYSTEMS AND ITS INNOVATIONS:**

Banking Systems- An Overview of Banking. Innovations in Banking: ATMs, E-Banking, Core Banking Solutions, Retail Banking, Plastic Money, National Electronic Funds Transfer, Banc-Assurance. Online & Offshore Banking.

### **UNIT III: LOANS AND ADVANCES:**

Types of loans and advances - Principles of Sound Lending Policies - Credit Appraisals of Various Forms of Loans and Advances - Modes of Creating Charges - Steps to be followed in the Assessment of Credit Worthiness of a Prospective Borrower

### **UNIT IV: INTRODUCTION TO INSURANCE:**

Definition / Meaning of Insurance and, Characteristics of Insurance, Functions of Insurers, Kinds of Insurance - Advantages of insurance - Globalization of Insurance and Insurance Sector Reforms in India. Overview and Role of IRDA

### **UNIT V: TYPES OF INSURANCE:**

Life Insurance: Definitions, History of Life Insurance in India- Characteristics of Life Insurance- Advantages -Procedure for Issuing a Life Insurance Policy. Non Life Insurance: Types of Non Life Insurance Products-Fire Insurance, Marine Insurance, Health Insurance – their Characteristics and Scope.

### **REFERENCE BOOKS:**

1. Sethi & Bhatia: Elements of Banking and Insurance, PHI, 2006
2. Sundaram and Varshney: Banking theory law and practice, 2008
3. Mithani & Gordon: Financial Services: Banking and Insurance, Himalaya , 5<sup>th</sup> Edition
4. Vasant Desai, Jain: Financial Services: Banking and Insurance, Himalaya , 2008

**Learning Outcomes:**

On completion of this course students will be able to:

- Understand the risks faced by banks and ways to overcome them.
- Understand the difference between Life & Non Life Insurance.
- Understand how to choose life insurance policies based on their needs