

**POST-GRADUATE DIPLOMA IN BANKING AND  
INSURANCE (PGDBI)**



**Effective from Academic Year (2020-2021)**

**Shri Govind Guru University**

**Godhra**

❖ **Course Title:** post-graduate diploma in banking and insurance (PGDBI)

❖ **OBJECTIVE:**

The rapidly changing economic scene, social values and structures, cultural patterns, developments in IT, etc. have transformed lifestyle in urban and rural areas. Banking and Insurance business has emerged as prominent areas of financial services, since the last decade of bygone century. The pace of growth in Banking and Insurance sector has accelerated with the deliberate policy initiatives of deregulation, liberalization and globalization. Presently, it has comprehensively networked itself in almost all parts of the society. These developments are creating need for new ideas, knowledge and professional application for the benefit of the business and society at large. At the same time the financial and infrastructure constraints also block academic developments. Hence, the possible solution is the self-initiation and self sufficiency in developing course curriculum full in its academic content and administration which provide participants total insight of present day Business Challenges, Opportunities, Regulatory Framework, Institutional and Operational policies, Programs, Markets, Practices, Procedures etc. in the field of Banking and Insurance. This course aims at catering to the needs of working professionals/participants in updating theoretical knowledge and providing the technical skills and operational insights into different areas of Banking and Insurance.

❖ **DURATION AND NATURE OF COURSE:**

One year Self-Finance Post-Graduate Diploma Course divided into Two Semesters. The course will be conducted five days in a week. Saturday/Sunday will be reserved for case discussions and seminar / paper presentations by invitees, experts and course participants.

❖ **TENURE:** June to November & December to May

❖ **ADMISSION CRITERIA:**

A) **ELIGIBILITY:** Any graduate from recognized University in India or its equivalent.

B) **ADMISSION CRITERIA:** Admission will be offered strictly on the basis of merit list.

Admissions under reservation category will be followed as per University rules.

❖ **ATTENDANCE:**

Attendance will be compulsory in the Course. A participant to the Course, whose overall attendance is less than 75% of the total numbers of lectures delivered in each subject individually, will not be allowed to appear in the examinations.

❖ **Medium of Instruction:** English

❖ **Intake capacity :**60

## PROGRAMME STRUCTURE

### SEMESTER –I PROGRAMME

- 1) Indian Banking System and Financial Markets
- 2) Banking Law and Practice
- 3) Insurance Theory and Practices

### SEMESTER-II PROGRAMME

- 1) Micro Finance and Banking
- 2) International Banking
- 3) Insurance Marketing

### SEMESTER – I

Subject Code	Paper No.	Course Name	Internal Marks	External Marks	Total Marks	Credits
PGDBI01	01	Indian Banking System and Financial Markets	30	70	100	05
PGDBI02	02	Banking Law and Practice	30	70	100	05
PGDBI03	03	Insurance Theory and Practices	30	70	100	05

### SEMESTER – II

Subject Code	Paper No.	Course Name	Internal Marks	External Marks	Total Marks	Credits
PGDBI04	01	Micro Finance and Banking	30	70	100	05
PGDBI05	02	International Banking	30	70	100	05
PGDBI06	03	Insurance Marketing	30	70	100	05

### EXAMINATION AND AWARD OF CLASS:

There will be written examination of two hours in all the subjects of 100 marks each at the end of each semester to evaluate the performance of candidates. A candidate must obtain a minimum of 50% marks to pass in each paper.

### AWARD OF DIPLOMA:

All those students who successfully complete the Course will be awarded Diploma in Banking and Insurance by the University.

## DETAILED SYLLABUS OF SEMESTER - I

### **PAPER-1: INDIAN BANKING SYSTEM AND FINANCIAL MARKETS**

#### **UNIT-I: Financial intermediaries:**

RBI; its constitution, general working and functions, objectives and instruments of monetary policy. Objectives, functions, working and role of National Bank in rural development. Constituents of Indian Financial system Viz. scheduled commercial banks, Cooperative credit system, AIFI and State level financial institutions; their general framework, role and functions. Mechanism of alignment of banking and financial system with Government economic plans. Reforms in Indian Banking and Financial system; Universal banking, bank mergers, Basel Accord- I and II, Implementations of ALM system, RBI norms for opening of new banks and branches.

#### **UNIT-II: Financial markets**

Role of financial markets in economic development, Money market and capital markets, Reforms introduced in money market and money market mutual funds. Organizational differences and functions of NIM and stock exchanges. Methods of floating new issues in capital market. Establishment of SEBI and SEBI regulations and guidelines. Recent trends and stock indices. Capital market instruments and instruments outside India. Recommendations of the Pherwani Study Group and Abid Hussain Committee on new financial instruments.

#### **UNIT-III: Banking and Financial services**

Need and features of ideal financial service industry. Remittances of funds, safe custody and safe deposit vault, MICR clearing system and cheque truncations scheme, credit cards. Introduction to and regulatory framework of financial services viz. Depositories, factoring, Merchant banking, underwriting, credit ratings; its features merit and agencies, loan syndications.

Current issues in Banking and Financial markets.

#### **Selected Reference Reading:**

1. Indian Financial System By Dr. G Ramesh Babu. Published by Himalaya Publishing House.
2. Indian Financial System By P N Varshney and D K Mittal Published by Sultan Chand and sons.
3. Financial Analysis for Bank Lending in liberalized economy. By S P Singh and S Singh Published by Himalaya Publishing House.
4. Indian Financial System By H R Machiraju Published by Vikas Publishing House Pvt. Ltd.
5. Marketing of Financial Services by V A Avdhani Published by Himalaya.
6. Indian Financial System by Bharati V Pathak Published by Pearson Education (Singapore) Pte. Ltd.
7. Indian Financial System by M Y Khan by Tata McGraw-Hill Publishing Company Limited.

## **PAPER-2: BANKING LAW AND PRACTICE**

### **UNIT-I: Relationship between banker and customer**

Definition and meaning of banker and customer, general and special features of banker-customer relationships; their rights and duties. Bank procedures and practices in opening, operations and closure of various types of deposit accounts. Nomination facilities, insurance of bank deposits, legal aspects of entries in the passbook/account statement.

### **UNIT-II: Different types of bank customers**

Minor, illiterate person, blind person, married women, lunatic person, joint account holders, partnership firm, Joint Hindu Family, firms, clubs, societies, joint stock company, unincorporated associations, trusts-steps to be taken by a bank on customer's death, lunacy, bankruptcy, winding up or in case of garnishee orders.

### **UNIT-III Negotiable Instrument Act**

Main provisions and definitions, features, types, parties: their rights and duties. Crossing, endorsements, payments and collection of cheques. Statutory protections, precautions and duties of banker, negligence and cases where banker must refuse payment, forged instruments. Bouncing of cheques and its implications.

Current issues and practical problems in banking laws and practices.

### **Selected reference reading:**

1. Banking Law and Practice by P N Varshney. Published by Sultan Chand and Sons.
2. Banking Theory, Law and Practice by Gordan and Natarajan. Published by Himalaya Publishing House.
3. Banking Theory and Practice By P K Srivastava Published by Himalaya Publishing House
4. Legal Aspects of Banking Operations by Indian Institute of Banking and Finance Published by Macmillan India Ltd; New Delhi.
5. Practical Banking Advances by H L Bedi and V K Hardikar Published by UBS Publishers; Distributors Pvt. Ltd.
6. Banking Law and Practice in India by M L Tannan Published by India Law House, New Delhi.
7. Laws and Practice Relating to Banking by The Indian Institute of Bankers Published by Macmillan India Ltd; New Delhi.

## **PAPER –3:INSURANCE THEORY AND PRACTICES**

### **UNIT-I: Introduction to insurance**

Importance of insurance to various constituents like: individual/family, business and industry. Distinction between life and indemnity insurance. Individual and group life insurance. Definitions, functions, fundamental principles and advantages and limitations of insurance. Special features of life, general and miscellaneous insurance. Insurance products, concept of reinsurance and reinsurance business. Concept of policy management system (PMS).

### **UNIT-II: Principles and process of insurance**

Essential elements of a contract of insurance. Various insurance documents and their special features. Various conditions and privileges for affecting Life Insurance Policies. Methods of computation of premium and factors influencing the calculation of premium rate. Underwriting of risk, need of underwriting, underwriting process and factors affecting underwriting process.

### **UNIT-III: Institutional structure of insurance sector in India**

Major objectives, functions, working and their business plans and performance evaluation including training and HRM policies of insurance sector in India; Private and public sector. Establishment of IRDA; its constitution, objectives, powers, role, duties and obligations.

Current issues and problems in insurance sector in India.

### **Selected reference reading:**

1. Principles and Practices of insurance by Dr. P. Periasamy. Published by Himalaya Publishing House. Mumbai. 2005.
2. Insurance; by M J Mathew Published by RBSA Publishers. Jaipur 1998
3. Risk; The New Management Imperative in Finance by James T Gleason Published By Jaico Publishing House. Mumbai.
4. India Insurance Report. Series- I. Edited by Chaturvedi, Singh and others. Published by Birla Institute of Management Technology, Noida. India.
5. Fundamentals of Insurance by P K Gupta. Published by Himalaya Publishing House. Mumbai
6. Principles of Life Insurance by Dr. S.L. Karve Published by Himalaya Publishing House. Mumbai.

## DETAILED SYLLABUS OF SEMESTER - II

### **PAPER – 1: MICRO FINANCE AND BANKING**

#### **UNIT –I Introduction to Micro finance and Banking in India**

Genesis, evolution and features of microfinance and banking. Financial services for the poor in India- the historical perspective. Institutionalization of the process of delivery mechanism starting from the enactment of taccavi loan legislations to nationalization of banks, evolution of specialized agencies of finance and development to the stipulation on priority sector lending etc. Broad overview of the policy framework currently in place vis-à-vis delivery of financial services to the poor.

#### **Unit-II Variety of Financial Services required by the poor and overview of Micro Finance Institutions (MFIs)**

Conceptualization of savings, credit and insurance as integral components of micro finance and micro insurance as an emerging area of focus. Introduction to the variety of institutions operating in micro finance across formal and informal sector. Status of MFIs of different categories and problems encountered by them in respect of mobilization of resources, identifications of appropriate borrowers, integration of backward and forward linkages and delinquency syndrome. Design of micro finance products. Diversifications and scaling up of MFIs. Status of regulatory mechanism vis-à-vis MFIs.

#### **Unit-III Mainstreaming of Micro Finance**

Study of SHG-Bank Linkage initiative of NABARD as an attempt toward mainstreaming of micro finance in India. Role of apex institutions, especially RBI, NABARD, SIDBI, Rastriya MahilaKosh (RMP) of the Government of India and a number of emerging institutions like NSFDC, NSTFCD, NMDFC and NBCFDC etc. vis-à-vis micro finance. A general overview of the problems, prospects and impact of micro finance.

Emerging issues and challenges in Micro Finance and Banking

#### **Selected reference reading :**

1. The Poor and their Money by Rutherford, Stuart Published by Oxford University Press New Delhi.
2. Profit for the poor, case studies in Micro Finance by Harper M, Published by Oxford and IBH Publishing Co. New Delhi.
3. Micro Finance by Malcolm Harper Published by ITDG Publishing
4. Micro Finance Handbook by Joanna Ledgerwood Published by World Bank

## **PAPER – 2:INTERNATIONAL BANKING**

### **UNIT-I Dealings with customer**

Concept of foreign exchange. Instruments of international remittance. Corresponding bank relationship and accounting mechanism between bank offices. Function of Foreign exchange dealer. Foreign exchange dealings, truncation, quotations, application of principals of valuer compensee and maxim in determining appropriate rate of exchange. Categories of rates of exchanges. Spot and forward rates of exchange. Open and square position of a dealer. Types of foreign currency deposit accounts.

### **UNIT-II Foreign exchange dealings.**

Foreign exchange risk management. Types of risks- exchange, interest, political etc. Foreign exchange dealings: Swap, arbitrage, leads and lags and hedging operation of dealer. Foreign exchange arithmetic and practical example. Financing of imports and export by banks, Mechanism and procedures. Role of ECGC in promoting export from India. Role of Exim Bank in financing and promoting foreign trade. Foreign Exchange Management Act.

### **UNIT-II Foreign exchange markets and international financial institution**

Features of Foreign exchange markets. Euro-dollar market. Convertibility of rupee on current and capital account. Role of international financial institution in promoting international development and liquidity, IMF, WORLD BANK, IDA, IFC, ADB.

Currents issues in international banking and finance.

### **Selected reference reading:**

1. Finance of Foreign Trade and Foreign Exchange by B K Chaudhary  
Published by Himalaya Publishing House
2. An Introduction to Global Financial Market by Stephen Valdez with Julian Wood Published by  
Palgrave Macmillan
3. Foreign exchange practice, Concept, and Control by C. Jeevanandam Published by Sultan Chand  
and Sons.
4. Foreign exchange markets by Surendra S Yadav, P K Jain Published by Macmillan Pvt. Ltd
5. Foreign exchange by VV Keshkamat Published by Vikas Publishing House.



## **PAPER- 5 INSURANCE MARKETING**

### **UNIT-I: Business environment and insurance**

Social responsibilities of insurance and its emerging need in India. Components of business environment influencing insurance business in India viz. the economic, financial, demographic and social taxation, legal and regulatory environment. Role of insurance sector in promotion and development of Indian economy. Liberalization of insurance business in India. Present scenario including growth of insurance industry in India.

### **UNIT-II: Insurance marketing and intermediaries**

Need, objectives, special features and scope of insurance marketing in India. Unit linked life insurance plans and postal life insurance. Concept of marketing mix. Marketing communications and innovations in insurance marketing in India. Marketing strategies of selected insurance players in life as well as non life sector, their features and merits. Distinctive features of double insurance and reinsurance. Features and methods of reinsurance. IRDA (General Insurance and Reinsurance) Regulations. IRDA regulations for protection of policy holders. Various marketing intermediaries, their duties, role and value addition. E-business and insurance marketing.

### **UNIT-III: Bancassurance**

Evolution of bancassurance and its Merits for banks and customer. Various Bancassurance models and present scenario in India. Recent trends, future outlook and challenges. Marketing issues in bancassurance. Technology in insurance. Emerging issues and challenges in insurance marketing

### **Selected reference reading:**

1. Insurance; Fundamentals, Environment and Procedures by Bodla, MC Gaeg, K.P. Singh. Published by Deep and Deep Publications Pvt. Ltd. New Delhi.
2. Insurance products and Services Publishad by Ijndian Institute of Bankers. Published by Taxmann's
3. Publications of Insurance Institutue of India and ICFAI University, Hyderabad.
4. Leading journals in Insurance. Viz. Insurance Chronicle by ICFAI, Hyderabad. Insurance Times, Kolkata, IRDA Journal, Hyderabad. Insurance Watch.