



B.COM. SEMESTER – 2		
3	MINOR 2	BANKING & FINANCE – 2 (BANKING LAW & PRACTICE)

Name of the Course: **Banking & Finance – 2 (Banking Law & Practice)**
 Course credit: **04**
 Teaching Hours: **60 (Hours)**
 Total marks: **100**

Objectives:

The main objective of the course is to develop an understanding of the Indian Banking System and various banking law and practices in India.

Learning Outcomes:

1. After completion of the course, learners will be able to: Understand about Indian banking system;
2. Gain an in depth knowledge about the RBI Act, 1934;
3. Know about securitization and reconstruction of financial assets and enforcement of security interest Act, 2002;
4. Explain provisions and legal provisions of prevention of money laundering Act, 2002;
5. Understand in detail credit regulations in India.

PARTICULAR	NO. OF LECTURES
UNIT NO. 1 THE NEGOTIABLE INSTRUMENT ACT 1881	
Definition of negotiable Instrument Promissory note, Bill of exchange, and Cheque, Holder, Holder in due course, Payment in due course, Negotiation, Endorsement, Dishonour of Negotiable Instruments, Noting and Protest, Penalties in case of dishonour of certain cheques, Negotiable Instruments Act, 2002: Instruments (Amendment) Act, 2018.	12
UNIT NO. 2 THE RESERVE BANK OF INDIA	
Evolution, Organization: Central Board, local boards and departments in the central office, RBI as currency authority: RBI as banker to the government, RBI’s supervision over commercial banks, Licensing of banks. Regulations relating to capital, Reserves and liquid assets of operation and management, Training, Deposit insurance Penalties, RBI Act 2018, and Monetary Policy Committee. RBI and Regulation of Digital Financial Services in India, 2012 to 2016	12
UNIT NO. 3 SECURITIZATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002	
Regulation of securitization and reconstruction of financial assets and financial institutions, Enforcement of security interest, Central registry, Offences and penalties, relevant amendments between 2004 and 2008 and Amendments in SARFAESI Act 2016.	12
UNIT NO. 4 PREVENTION OF MONEY LAUNDERING ACT, 2002	
Offence of money laundering, Attachment, adjudication and confiscation, Obligation of banking companies, financial institutions and intermediaries. Summons searches and seizures. RBI guidelines regarding prevention of money laundering, The Prevention of Money Laundering Act, 2012. Asset - Liability Management: Return and currency Risks while managing the assets and liabilities. RBI guidelines for Non-Performing Assets (NPAs)	12





UNIT NO. 5 CREDIT REGULATION	
Objectives – RBI’s instruments of general credit control: Bank Rate, Reserve requirements and OMOs, RBI’s direct credit regulation – Regulation of non-banking institutions – Credit planning in India. Promotional functions of the RBI: RBI and rural credit – RBI and industrial finance – RBI and export credit – RBI and exchange control.	12
Total Lectures/Hours	60

Suggested Readings:

1. Basu A.K: Fundamentals of Banking- Theory and practice; A Mukerjee and co
2. Sayers R.S: Modern Banking; Oxford University Press.
3. Panandikar S.G and Mithani DM: Banking in India; Orient Longman.
4. Sundharam and Varshini, “Banking Law, Theory and Practicies”, Sultan Chand & Sons, 2003.
5. Santhanam, “Banking and Financial System”, Margham Publications, Chennai, 2006.
6. Banking : Law and practice in India – Maheshwar Banking and Financial system – Vasant Desa.
7. Fundamentals of Banking – Dr.R. S. S. Swami
8. Bank Management By Vasant Desai –Himalaya Publication.
9. Bank and Institutional Management By Vasant Desai – Himalaya Publication
10. E.Gordon & K. Natrajan:Banking Theory, Law & Practice”, Himalaya Publishing House, Mumbai.
11. K.C.Shekar, Lekshmy Shekar, –Banking theory and Practice”, Vikas Publishing House.
12. Principles and Practices of Banking: Indian Institute of Banking & Finance- Macmillan Publication.
13. Srivastava S. P.; Banking Theory & Practice, Anmol Publication.

Note: Learners are advised to use latest edition of text/reference books

