

CC VII Banking Theory and Practice

- Unit 1.** Structure of Banking institution of India – Banks and Economic Development - Functions of Commercial banks- Credit creation – Techniques of credit creation- limitation or credit creation.
- Units 2.** Nationalized Commercial Banks – Functions - their role in the Indian Money Market- Its relation to Cooperative banks and credit institutions - Financing to agriculture and small scale Industries Reserve Bank of India as a central bank – Constitution, management – Functions - Instrument of credit control operation – Selective credit control.
- Unit 3.** Banker and Customer. Definition of Banker-what constitutes a customer- General relationship-Bankers Lien - Secrecy of the customer's account, Banker as Borrowers. Bank Deposits - Opening of a new account special types of customers – Minor – Lunatic – Drunkard - Married women – Trustee - Partnership – Firms - Joint stock companies - Circumstances under which a banker can close the account of a customer.
- Unit 4.** Cheque- Requisites of a Cheque-Order Cheque and bearer Cheques-Crossing of Cheques – different kinds of crossing and their significance. Position of paying banker – Duties and responsibilities of the paying banker, precautions to be taken while making payments – Endorsements - Kinds of endorsement - Statutory protection to the paying banker – payment in due course.
Collection of Cheque – Duties and responsibilities of collecting banker – precautions, statutory protection to the collecting banker - Pass book – Effect of entries in the pass book. Loans and advances - forms of advance, cash credit - Over draft – Principles of lending – Modes of creating charge, Lien, Pledge, Hypothecation, Mortgage –Types of securities – Stock exchange securities, Life insurance policies, Fixed deposit receipt.
- Unit 5.** B.R. Act – Provisions relating to opening of new banks and branches – RBI Licensing Policies – Recent developments in banking practices – Banking Ombudsmen – Core Banking – ATM – Credit Cards and Debit Cards – Features – Bancassurance.

References

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- 2) Sherlekhar, K.C., *Banking Theory and Practice*, Vikas Publishing House Pvt Ltd., New Delhi, 1994
- 3) Sundaram, K.P.M., *Banking Theory, Law and Practice*, Sultan Chand & Sons, New Delhi, 1992.
- 4) Vasudevan, S.V., *Theory of Banking*, S.Chand & Company Ltd., New Delhi, 1990