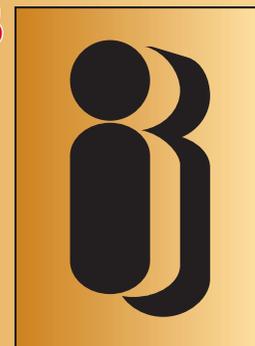


ASSOCIATE EXAMINATION

J A I I B
RULES AND
SYLLABUS
2005



I N D I A N
I N S T I T U T E
O F
B A N K I N G
& F I N A N C E
M U M B A I

Associate Examination

JAIIB

Rules and Syllabus
2005



INDIAN INSTITUTE OF BANKING & FINANCE
World Trade Centre, Cuffe Parade, Mumbai-400 005.

	Page No.
1. ABOUT THE INSTITUTE	1
1.1 Genesis	1
1.2 Mission	1
1.3 Objectives	1
1.4 Vision	1
1.5 Activities	2
2. EXAMINATIONS	2
2.1 Associate Examination-Objectives	3
2.2 Syllabus	3-4
2.3 Subjects	4
2.4 Scheme of Exemptions	4-6
2.5 Pattern	6
2.6 Periodicity and Examination Centres	7
2.7 Eligibility	7-8
2.8 Time limit for passing the examination	8
2.9 Examination fees	9-10
2.10 Medium of Examination	10
2.11 Procedure for applying for examination	10
2.12 Admit Card	10-11
2.13 Conduct and Discipline in the Examination Hall	11-13
2.14 Penalties for unfair practices	13-14
2.15 Passing Criteria	14
2.16 Declaration of results	14
2.17 Facility for verification of marks	14-15
2.18 Issue of Certificates	15
3. EDUCATIONAL SUPPORT	15
3.1 Tutorial / Contact Programmes	15
3.2 Library	15

	Page No.
CONTENTS	
3.3 Bank Quest	15-16
3.4 IIB Vision	16
3.5 IIBF Information Portal	16
4. SYLLABUS FOR JAIB	16
5. CONTACT DETAILS	17

INDIAN INSTITUTE OF BANKING & FINANCE ASSOCIATE EXAMINATION (JAIB) - RULES

1. ABOUT THE INSTITUTE

1.1 GENESIS

Indian Institute of Banking & Finance which is a professional body of banks and financial institutions in India, was established on 30th April 1928 as a Limited Company under the Indian Companies Act, 1913 with limited liability without the addition of the word 'Limited' to its name at the initiative of few eminent bankers, businessmen and industrialists of India.

1.2 MISSION

The mission of the Institute is to develop Professionally qualified and competent bankers and finance professionals primarily through a process of education, training, examination, consultancy/ counselling and continuing professional development programs.

1.3 OBJECTIVES

The objectives for which the Institute was established are:

1. To facilitate study of theory and practice of banking and finance
2. To test and certify attainment of competence in the profession of banking and finance
3. To collect, analyze and provide information needed by professionals in banking and finance
4. To promote Continuous Professional Development
5. To promote and undertake research relating to operations, products, instruments, processes etc. in banking and finance and to encourage innovation and creativity among finance professionals so that they could face competition and succeed.

1.4 VISION

“To be premier Institute for developing and nurturing competent professionals in banking and financial field”.

1.5 ACTIVITIES

1. Design, develop and conduct examinations to test the proficiency of bank / financial sector employees in various finance related subjects.
2. Award certificates / diplomas to the successful candidates.
3. Provide necessary educational support services such as tutorial classes, contact programmes and study material.
4. Dissemination of knowledge on banking and financial services through publication of quarterly journal "Bank Quest", newsletters and by organising lectures/seminars, workshops as a part of continuing professional development programmes.
5. Organising and managing efficient library facility at Mumbai and at few other selected centres.
6. Any other activity incidental to and facilitating the achievement of the basic objectives of the institute.

2. EXAMINATIONS

The Institute conducts following examinations :

A) For Members

Associate Examination: JAIIB/ CAIIB
Banking Oriented Paper in Hindi (BOPH)

B) For Non-Members:

Diploma in Banking & Finance

C) For Members/ Non-Members:

- a) Diploma in Treasury, Investment and Risk Management (DTIRM)
- b) Diploma in Banking Technology (DBT)
- c) Diploma in International Banking and Finance (DIBF)
- d) Post Graduate Diploma in Financial Advising (PGDFA)
- e) Diploma in Bank Financial Management (DBFM)
- f) Certified Information System Banker (CeISB)

Insurance Sector:

- a) Certificate Examination in Life Insurance
- b) Certificate Examination in General Insurance
- c) Certificate Examination in Bancassurance (Life)
- d) Certificate Examination in Bancassurance (Non-Life)

BPO Companies in Banking and Finance Sector:

- a) Certificate in Basics of Banking (CBB)
- b) Certificate in Functions of Banks(CFB)
- c) Certificate in Card Operations (CCO)

The syllabi, Rules/ Regulations, Examination forms and other information pertaining to the examinations are available with Institute's offices at Mumbai, Chennai, New Delhi, Kolkata and also at such other centres/offices as may be notified from time to time. The same is also available at www.iibf.org.in.

2.1 ASSOCIATE EXAMINATION (JAIIB/ CAIIB) – OBJECTIVES

JAIIB aims at providing maximum level of basic knowledge in banking and financial systems, communication, and customer relations, basic accountancy and legal aspects necessary for carrying out day to day banking operation.

CAIIB aims at providing advanced knowledge necessary for better decision making together with a reasonable level of specialisation in specific disciplines.

2.2 SYLLABUS

The details of the prescribed syllabus are furnished elsewhere in the booklet. Though a detailed syllabus has been prepared for all the subjects, the same is only indicative and not exhaustive.

Keeping in view the professional nature of the examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the Associate Examination should particularly prepare themselves for answering questions that may be asked

on the latest developments taking place under the various subjects of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus/rules from time to time. Any alterations made will be notified from time to time.

2.3 SUBJECTS

This examination has been divided into two parts, namely, JAIIB and CAIIB. Members can pass CAIIB only after passing JAIIB. Subjects under each part are as under:

JAIIB

1. Principles of Banking
2. Accounting and Finance for Bankers
3. Legal aspects of Banking

CAIIB

1. Risk Management
2. Financial Management
3. General Bank Management

JAIIB and CAIIB have been equated with Part I and Part II respectively of the Associate Examination under old syllabus.

2.4 SCHEME OF EXEMPTIONS

The Institute will consider granting exemption from passing the following subjects for candidates who possess the qualification/s noted against each subject:

Subject	Prior qualification
JAIIB	
Accounting and Finance for Bankers	<ol style="list-style-type: none"> 1. Candidates who have passed M.Com. Examination with Accountancy as one of the subjects of any University (including deemed University). 2. C.A. / I.C.W.A. /C.S. / PGDBA in Finance of IIMs

Subject	Prior qualification
CAIIB	
Financial Management	C.A. / I.C.W.A. /C.S. / PGDBA in Finance of IIMs

Please note:

1. Candidates possessing any qualification other than the above will not be granted exemptions in above subjects.
2. Exemption on the basis of prior qualification will not be granted for any subject of JAIIB/ CAIIB other than mentioned above.
3. Exemption Applications with incomplete documents will be liable for rejection.

How to apply for exemption

1. A candidate will be required to apply to the respective Zonal Office of the Institute (contact address given at the end of booklet) for exemption along with copies of the following duly attested by the Branch Manager:
 - a) mark sheets
 - b) syllabus relating to the acquired qualification
 - c) certificate
2. The candidate should apply for exemption one month before submitting the examination application form for the examination. In case of professional qualification like CA/ CS/ ICWA, the candidate may submit the attested copy of the certificate along-with a copy of mark sheet. Mark sheets of all the years are required to be submitted.
3. The decision of the Institute in the matter of grant of exemption will be final.
4. All communication in respect of exemptions should be made with the concerned Zonal office of the Institute. In any case application for exemption should not be sent to the Corporate office of the Institute.
5. The decision in respect of exemption will be communicated to the

candidate by the concerned zonal office.

The term 'A University in India' mentioned above will also include an institution which is recognised as 'A deemed University' or recognised by the Association of Indian Universities.

2.5 PATTERN

Questions for the JAIIB/ CAIIB Examination will be asked calling for:

- **Knowledge testing**
- **Conceptual grasp**
- **Analytical/logical exposition**
- **Problem solving**
- **Case analysis**

JAIIB

1. The JAIIB Examination will be of fully objective type (multiple choice) questions.
2. About 120 questions per subject will be asked for the duration of two hours. The Institute may, however, vary the number of questions to be asked for a subject.
3. Each question paper will carry 100 marks.

CAIIB:

1. The CAIIB question paper will continue to be similar to the current pattern (combination of descriptive type and objective type questions) for the time being i.e. for July 2005 CAIIB Examination.
2. From December 2005, CAIIB Examination will be with fully objective type (multiple choice) questions.
3. About 120 questions per subject will be asked for the duration of two hours. The Institute may, however, vary the number of questions to be asked for a subject.
4. Each question paper will carry 100 marks

2.6 PERIODICITY AND EXAMINATION CENTRES

- ❑ A list of examination centres will be provided along with the Examination Application Form.
- ❑ The on-line examination will be conducted normally twice a year in the months of June/ July and November/ December on three Sundays (one paper on each Sunday). The examination will be held under on-line mode for all the subjects of JAIIB at centres where the necessary infrastructure facilities are available.
- ❑ Examination under off-line mode will be conducted normally twice a year in the months of June/ July and November/ December at specified examination centres, where on-line examination would not be conducted. Off-line examination will be conducted on two consecutive Sundays (two papers on first Sunday and one paper on second Sunday).
- ❑ Institute will conduct examinations at overseas centres provided there are at least five candidates to appear from each of such centre. Examination fee structure is given separately elsewhere.

2.7 ELIGIBILITY

1. The Examination is open only to the ordinary members of the Institute who are in employment of the Institutions which are Institutional Members of the Institute provided individual and institutional subscription is not in arrears.
2. New members are advised of the examination for which they are eligible to appear while intimating their respective membership numbers.
3.
 - a) Candidates must have passed the matriculation examination or its equivalent.
 - b) The Institute may, however at its discretion, allow any candidate from clerical or supervisory staff cadre to appear at the examination on the recommendation of the Manager of the bank/ officer-in-charge of the bank's office where the candidate is working, even if he/she is not a matriculate or its equivalent.

- c) Subordinate staff of recognised Banking/Financial Institutions in India, who are members of the Institute, are eligible to appear at the examination, provided they have passed the matriculation examination or its equivalent.
4. A candidate applying for CAIIB must have completed JAIIB or Part I of the Associate examination under old syllabus.
5. The ex-employees of Banks/Financial Institutions who desire to appear at and complete Associate Examination will be allowed to appear for the Examination at the discretion of the Institute subject to the following :
- The cessation of service is not due to reason of any misconduct.
 - The application is forwarded through the Institution in whose employment the candidate was before ceasing to be in service with their recommendations in the prescribed format, along with a no objection certificate from the current employer.

2.8 TIME LIMIT FOR PASSING THE EXAMINATION

- a) A Candidate will be allowed to take up the first examination only after 4 months from the date of registration for the examination i.e. after submission of the Examination Application Form.
- b) Candidates will be required to pass the examination within a time limit of 2 years (i.e. 4 attempts). Initially a candidate will have to pay examination fee for a block of one year i.e. for two attempts. In case a candidate is not able to pass JAIIB / CAIIB Examination within a time limit of one year, he can appear for a further period of one year i.e. two attempts on payment of requisite fee.
- c) Candidates not able to pass JAIIB / CAIIB Examination in the stipulated time period of 2 years are required to enrol themselves afresh by submitting a fresh Examination Application Form after a cooling period of one year from the last attempt. Such candidates will not be granted credit/s for subject/s passed if any earlier. However, they will continue to be granted exemption in certain subject/s based on the qualifications acquired by them earlier.
- d) Attempts will be counted from the date of application irrespective of whether a candidate appears at any examination or otherwise.

2.9 EXAMINATION FEES

The fees payable by members for appearing at the examination centres in India for the Associate Examination under the revised syllabus are as given below:

Examination	Fees
JAIIB	
● 1 st Block of 2 attempts	Rs.1200/-
● 2 nd Block of 2 attempts	Rs.1500/-
CAIIB	
● 1 st Block of 2 attempts	Rs.1500/-
● 2 nd Block of 2 attempts	Rs.1800/-

However, in case of members whose **employer bank/ financial institution is not or has ceased to be a member of the Institute**, fees payable are as under:

Examination	Fees
JAIIB	
● 1 st Block of 2 attempts	Rs.2500/-
● 2 nd Block of 2 attempts	Rs.3000/-
CAIIB	
● 1 st Block of 2 attempts	Rs.3000/-
● 2 nd Block of 2 attempts	Rs.4000/-

As regards candidates appearing at overseas centres:

1. There should be minimum five candidates applying for examination at any overseas centre, for conduct of Associate Examination at that centre.
2. The Examination Fee is **\$125** per attempt irrespective of number of subjects applied by the candidate.
3. The payment of examination fees must be made by a draft in US Dollar. It may be noted that such candidates have to apply afresh for each attempt.

4. Candidates should send the examination forms to the Western Zonal Office (address given under Contact Details) of the Institute at least three months before the examination date.

2.10 MEDIUM OF EXAMINATION

- 1) Candidates are allowed to write the examination either in Hindi or English. They should fill in the Examination Application Form in his/her own hand under his/her signature and indicate the choice of medium as Hindi or English for answering the question paper. In the absence of a clear indication about the medium opted by the candidate, English will be presumed as the medium. In any case change of medium will not be allowed at a later stage.
- 2) Answers to all questions in all subjects of an examination should be written through chosen medium only, and it should be the medium opted by the candidate in the Examination Application Form for the examination. The candidates are not permitted to answer different subjects in the same examination in different mediums.

2.11 PROCEDURE FOR APPLYING FOR EXAMINATION

Examination Application Forms will be available on the Institute's web site at www.iibf.org.in which could be downloaded and filled in. The applications will be available at the Institute's zonal offices, Corporate Office and also at such other centres/offices as may be notified from time to time. Examination Application Forms duly filled in (for the detailed instructions refer the Examination Application Form) alongwith requisite examination fee should be submitted to the respective zonal office at Mumbai, Chennai, New Delhi, Kolkata or at such other centres/offices as may be notified from time to time. The Institute accepts no responsibility for delay or inconvenience arising from the candidate's failure to reach the Examination Application Form in time or if the form is incomplete or failure to furnish all the essential information about himself/herself and the details of his/her examination.

2.12 ADMIT CARD

On-line Examination

- 1) The Institute will issue Examination Admit Card for every

- examination containing details of venue and time of the examination as well as User id, password to be used while appearing at the examination.
- 2) The Examination Admit Card along with the Permanent Membership Identity Card should be produced to the Examination Authority each time in the examination hall for identification.
- 3) In absence of the Admit Card / Permanent Membership Identity Card the candidate is liable to be denied permission in the examination venue.
- 4) Permanent Membership Identity Card is issued by the respective Zonal Office at the time of admission as a member or renewal of membership or on receipt of examination application form whichever is earlier.
- 5) Candidates will have to appear at the Centre which they choose while applying for the examination first time and for the subsequent examinations also. The venue for the examination will be advised while issuing the Examination Admit Card. In case of any change in centre due to transfer or any other valid reason, the candidate should inform the Institute well in advance (at least one and half month before the commencement of the examination) to enable the Institute to intimate the changed venue.
- 6) **The Institute reserves a right to close any of the existing centres on account of less number of candidates appearing from that centre or any other reason which it may think fit. In such case candidates will be advised to appear from the nearest available centre.**

Off-line Examination

Institute's zonal offices will send 'Examination Admit Cards/Hall Tickets' containing the Examination dates, venue details, examination time etc.

2.13 CONDUCT & DISCIPLINE IN THE EXAMINATION HALL

1. No candidate shall be permitted to enter the examination hall after the expiry of 15 minutes from the commencement of the examination and no candidate shall be permitted to leave the hall before the expiry of one hour from the commencement of the examination. Candidates should be present at the examination

venue at least 15 minutes before the commencement of the examination.

2. Candidates should ensure that he/she signs the Attendance Sheet.
3. Candidates should not possess and/or use books, notes, periodicals etc. in the examination hall at the time of the examination /or use mathematical tables, slide rules, stencils etc. during the examination except for the examination for which such use is expressly permitted. A candidate found in possession of such unauthorised material during the examination is liable to be proceeded against for adoption of unfair means in the examination in addition to reporting the matter to his/her employer for disciplinary proceedings for the misconduct. They should hand them over to the Hall Superintendent before the commencement of the examination. Generally candidates appearing for Accounting and Finance for Bankers, Financial Management will be permitted to use calculators while appearing for the Associate Examination subject to the following:

Calculators should:

- a) be pocket size and fully portable
- b) be silent while operation
- c) be battery operated
- d) not be capable of being programmed by the insertion of tapes or otherwise.
- e) Not have print out facilities
- f) be of the type upto 6 functions and 12 digits.
- g) not be capable of retaining/storing data in memory when the calculator is switched off.

Calculators which do not comply with the above conditions and found in possession of candidate during the examination will be confiscated by the Examination Supervisors and returned to the candidate at the end of the examination. In case a candidate is found using the calculator not complying with the above conditions in the course of the examination it will amount to adoption of unfair practice at the examination by the candidate concerned and

the Institute shall take such action against the candidate as may be deemed appropriate.

4. Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
5. Copying the answers from the answer books of other candidates or permitting others to copy from one's answer book will attract the rules relating to unfair practices in the examination.
6. No candidate should leave the examination hall without handing over the answer books to the Hall Supervisor / Invigilator. Once the answer book is handed over to the Supervisor / Invigilator the same cannot be taken back by the candidate.
7. No candidate shall impersonate others or allow others to impersonate himself at the examination.
8. **Candidates are not permitted to carry mobile phone in the examination hall.**

If any candidate violates any of the above rules it will be considered to be an act of misconduct and he/she will be liable for punishment mentioned hereinunder.

2.14 PENALTIES FOR MISCONDUCT / UNFAIR PRACTICES

The Institute shall have the right to impose penalties on any member for committing an act of misconduct/ unfair practice in respect of any matter affecting the Institute or at or in respect of any examination conducted by the Institute or disqualifying any candidate who, they have reason to believe has received or given unfair assistance at the examination and

- a) to cancel the result of such candidate in all or any of the subjects of the examination at which he/she may have appeared
- b) to exclude him/her from future examinations either permanently or for a specified number of examinations;
- c) to report his/her name to his/her employer and
- d) to take such other action against him/her as the Institute shall in their sole discretion deem fit and the decision of the Institute shall be final and binding on the candidate concerned.

The Institute shall also have a right to cancel the results of any

subsequent examination at which the candidate may have appeared if such examination falls within the exclusion period in the penalty, as by reason of imposition of such a penalty of exclusion from the future examination, the candidate would not have been eligible to appear at such subsequent examinations.

In case any member including former member, desires to institute any legal proceedings against the Institute in respect of anything done or proposed to be done by the Institute in relation to him/her such legal proceedings shall be instituted **only in the courts at Chennai, Kolkata, New Delhi and Mumbai in whose jurisdiction the application is submitted by him/her and not in any other court.**

2.15 PASSING CRITERIA

- a) Pass: Minimum 50% or more marks in each subjects
- b) First Class with Distinction: 75% or more marks in any individual subject and 60% or more marks in the aggregate and pass in all subjects in the first attempt.
- c) First Class: 60% or more marks in aggregate and pass in all the subjects in the first attempt.
- d) Candidates will be allowed to retain credits for the subject he/she has passed in one attempt till the expiry of the time limit.
- e) First Class / First Class with Distinction will not be applicable to the candidate availing the facility of credit transfer as they would not be passing the examination in first attempt.

2.16 DECLARATION OF RESULTS

The results of the examination along with the marks secured for each subject of the examination will be communicated to candidates by letter.

2.17 FACILITY FOR VERIFICATION OF MARKS

No verification of marks will be done for on-line examination as evaluation is computerized.

In case of off-line examination, however, if any candidate requires his/her marks to be verified he/she may request the Chief Executive Officer accordingly. Such verification will cover whether all answers have been valued.

The request for verification of marks must be received in the Institute's Zonal office within one month from the date of the declaration of the examination results. The candidate will have to pay a sum of Rs.80/-. The payment should be made by means of MICR crossed Demand Draft drawn in favour of "Indian Institute of Banking & Finance" and made payable at the place of the Zonal Office. The candidate should write his/her membership number on the reverse of the draft.

2.18 ISSUE OF CERTIFICATES

Candidates who complete JAIIB will receive a Certificate of Junior Associateship of Indian Institute of Banking & Finance and those who complete CAIIB will receive a Certificate of Associateship of Indian Institute of Banking & Finance.

3. EDUCATIONAL SUPPORT

3.1 TUTORIAL/ CONTACT PROGRAMMES

Tutorial / Contact programmes will be organised by the Institute. For further details candidates may get in touch with Zonal Office / nearest sub-centre or log on to the Institute's web site "www.iibf.org.in"

3.2 LIBRARY

The Institute provides library facility to the members at its Zonal offices and Sub-Centres. In addition, the Institute provides postal lending service also for the benefit of the outstation members. The rules for the postal lending services and functional library at sub-centres to meet the normal requirements of candidates for the Institute's examination are that:

- a) the subscription from members should not be in arrears;
- b) the request should be forwarded through the officer in charge of the Branch/Office in which the member is working;
- c) the member should undertake to return the book at his cost within the stipulated time.

3.3 BANK QUEST

The Institute publishes quarterly journal **Bank Quest**, covering

various aspects of banking and allied subjects. It is supplied to all the members free of cost, whose membership subscription is upto date. The Bank Quest also gives information on the dates of examinations, other important information and announcements, from the Institute.

3.4 IIB VISION

The Institute publishes a bimonthly newsletter “Vision” containing latest information about banking and finance. The publication is available for yearly subscription of Rs.40/- only.

3.5 IIBF INFORMATION PORTAL

The Institute has its own information portal www.iibf.org.in. The said portal facilitates online tutorials, information about membership / examination including announcements, schedule of examinations, online membership /examination, results, etc.

4. SYLLABUS FOR ASSOCIATE EXAMINATION

JAIIB

The detailed syllabus is given on page No. 18-24.

RECOMMENDED READING

“The Institute has prepared comprehensive study material in the form of kits modelled on IGNOU pattern to facilitate preparation for the examination without intervention of teacher. Attempt has been made to cover fully in the write-ups the syllabus prescribed for each subject/ paper. The presentation of topics in the self study material may not always be in the same sequence as given in the syllabus. The said course material can be purchased by members from Zonal Offices. The same will be also available at Macmillan outlets. Candidates are also expected to take note of all the latest developments relating to the subjects covered in the syllabus by referring to Economic Journals, Financial Papers, latest books and publications on the subjects concerned.”

5. LIST OF ZONAL OFFICES OF THE INSTITUTE

Western Zonal Office

Indian Institute of Banking & Finance
Maker Tower, ‘F’ Wing, 19th Floor,
Cuffe Parade, Mumbai-400 005
Tel: 022-22183302/ 22185134
Fax: 022-22180845
E-mail: iibwz@iibf.org.in

Eastern Zonal Office

Indian Institute of Banking & Finance
‘Anandlok’, 3rd Floor,
227, Acharya J. C. Bose Road,
Kolkata-700 020
Tel: 033-22809681/82/83
Fax: 033-22809680
E-mail: iibez@iibf.org.in

Northern Zonal Office

Indian Institute of Banking & Finance
11th Floor, Atmaram House,
1, Tolstoy Marg,
New Delhi-110 001
Tel: 011-23354316/ 23354921
Fax: 011- 23351165
E-mail: iibnz@iibf.org.in

Southern Zonal Office

Indian Institute of Banking & Finance
76, Arya Gowda Road,
West Mambalam,
Chennai-600 033
Tel: 044-24746961/24715990
Fax: 044-24746966
E-mail: iibchen@vsnl.net

INDIAN INSTITUTE OF BANKING & FINANCE**REVISED SYLLABUS FOR JAIIB***JAIIB Subjects*

- 1) Principles of Banking
- 2) Accounting & Finance for Bankers
- 3) Legal Aspects of Banking

Objective: To provide basic knowledge in Banking and Financial Systems and to help the student in developing an extensive understanding of all aspects of banking.

Level: At par with Graduation from any University in India.

Question pattern: Objective type

Eligibility: Members of the Institute

PAPER 1- PRINCIPLES OF BANKING

Candidates would be able to acquire an in-depth knowledge of

- the legal and regulatory framework of the Banking system.
- the principles and importance of Credit, documentation, monitoring and control.
- a broad understanding of other functions associated with banking.
- An insight into marketing of banking services and banking technology

Module A – Indian Financial System

Introduction to the financial system: ; evolution of financial systems; recent developments in the INDIAN financial system; market structure and financial innovation. Role and Functions of banks-Regulatory provisions/enactments governing banks-RBI Major functions

Retail banking: Wholesale and international banking: the nature of wholesale banking; off-balance sheet business; international banking

Financial Services Role and functions of Capital markets - Regulation thereof /Role and Functions of Mutual Funds-SEBI, AMFI ETC/Role and Functions of Insurance Companies-IRDA Bancassurance, Factoring, Securitisation etc

Module B-Functions of banks**Deposits ;**

Banker –Customer relation-Know your Customer[KYC] –Different Deposit Products- -services rendered by Banks –Mandate and Power of attorney;

Banker’s lien-Right of set off- Garnishee Order-Income Tax Attachment Order etc.

Payment and collection of Cheque-duties and responsibilities of paying and collecting banker—protection available to paying and collecting banker under NI Act-endorsements-forged instruments-bouncing of cheques and their implications

Opening of accounts for various types of customers-minors-joint account holders-HUF-firms - companies-trusts- societies-Govet and public bodies

Credit :

Principles of lending-various credit facilities -working capital and term loans -Credit Appraisal Techniques -Approach to lending; -credit management – credit monitoring –NPA- Recommendations of various Committees in the area of Credit-Different types of documents; Documentation Procedures; Stamping of documents

Priority Sector Lending-sectors-targets-issues/problems-current guidelines-Bank’s performance-recent developments

New Products & Services –Securitisation, Bancassurance, Mutual Funds etc.

Module C – Banking Technology

Different approaches to bank mechanisation – Core Banking Solutions -Stand alone computer systems - Wide area and local area networks - local processing and batch concepts; on-line systems - Mini computers and Main Frame networking systems.

Electronic Payment systems - Teller Machines at the Bank Counters - Cash dispensers - ATMs - Anywhere Anytime Banking - Home banking (Corporate and personal) - Online enquiry and update facilities - Personal identification numbers and their use in conjunction with magnetic cards of both credit and debit cards, smart cards, signature storage and display by electronic means, cheque truncation, microfiche, note and coin counting devices.

Electronic funds transfer systems - plain messages (Telex or data communication) - structured messages (SWIFT, etc...) - RTGS

Information Technology - Current trends - Banknet, RBI net, Datatnet, Nicnet, I-net, Internet, E-mail, etc...-Role and uses of technology upgradation - Global developments in Banking Technology - Information Technology in finance and service delivery. Impact of Technology on Banks - Protecting the confidentiality and secrecy of data - - effect on customers and service quality-

Audit trails - Rangarajan, Saraf and Shere Committee Recommendations.

Module D –Support Services –Marketing

MARKETING OF BANKING SERVICES

- Marketing Management -Meaning, Importance and Functions - Marketing of Services -
- Production Planning -Product Research & Development -Test marketing - Product Life Cycle -Product Modification -New Product Development - Elimination -Packaging and Branding - Diversification
- Pricing -Objectives, Strategies and Methods -Factors Influencing the Pricing Decisions, Importance of Pricing.
- Distribution -Factors Influencing -Direct and Indirect Channels - Physical Distribution -Channel Functions and Services.
- Promotion -Promotion Mix and Role of Promotion in Marketing - Marketing Information Systems.

PAPER 2- ACCOUNTING & FINANCE FOR BANKERS

Objective:

- To introduce the candidates to Basics of Financial Mathematics and Basics of Accountancy and develop an understanding in the basic financial concepts

Module A – Basics of Business Mathematics

- Calculation of simple Interest – Bank Discount-Compound Interest-Ordinary Annuities – Other Annuities-Amortization and Sinking Funds.
- Bonds-Calculation of YTM-Duration-Bond Pricing-Premium and Discount
- Capital Budgeting – Discounted cash flow-net present value-pay back methods
- Depreciation-different types-methods of calculation

Module B

- Definition & Scope and Accounting Standards
Nature and purpose of accounting; historical perspectives – Origins of accounting principles- accounting standards and its definition and Scope.
- Basic Accountancy Procedures
Concepts of accountancy – entity going concern – double entry systems, Principles of conservatism – revenue recognition and realization – accrual and cash basis.
- Maintenance of Cash/ Subsidiary books and Ledger
Record keeping basics –account categories – debit and credit concepts – account and columnar accounting mechanics – journalizing – writing cash books

Module C

- Bank reconciliation statement – Trial Balance – Adjusting and Closing entries.

- 2 Capital & Revenue Expenditure/Depreciation/Inventory Valuation/ Bill of Exchange / Consignment Joint Venture
- 3 Special accounts – Leasing and Hire-Purchase Company accounts – Accounts of Non-Trading Concerns – Receipts and Payments.

Module D

Balance Sheet Structure – accounts – categories – Assets, Liabilities and Net Worth Components./Partnership accounts – partner’s fixed capital accounts – Current accounts – loan accounts – treatment of intangibles like goodwill – admission / retirement / death of partner – sleeping/ quasi and Limited partnership./Company accounts – Partnership vs. Limited Liability Company accounts – classes of Share Capital – issue/ forfeiture of Shares – non-voting shares – issue of Bonus Shares

Preparation of Final Accounts – Final Accounts of Banking Companies-

Accounting in a computerised environment-methods-procedures-security-rectification

PAPER 3-LEGAL ASPECTS OF BANKING OPERATIONS

Objectives:

The candidates would be able to acquire knowledge in

- the legal & regulatory framework of the banking system
- and the various laws and enactments affecting day to day banking operations

Module A- Regulations and Compliance:

The questions in this section will be with reference to legal issues and problems

- A. Provisions of RBI Act 1935 ,Banking Regulation Act 1949 Banking Companies [Acquisition and transfer of undertakings Act 1970 & 1980]
- B. Government and RBI’s powers
 - Opening of new banks and branch licensing
 - Constitution of board of directors and their rights
 - Banks share holders and their rights
 - CRR/SLR concepts
 - Cash/currency management
 - winding up- amalgamation and mergers
 - powers to control advances- selective credit control – monetary and credit policy
 - Audit and Inspection
 - supervision and control-board for financial supervision-its scope and role
 - disclosure of accounts and balance sheets
 - submission of returns to RBI etc

2 Module B- Legal aspects of banking operations

Case laws on responsibility of paying /collecting banker

Indemnities/guarantees-scope and application-obligations of a

banker-pre cautions and rights—laws relating to bill finance, LC and Deferred Payment Guarantees-Laws relating to securities-valuation of securities-modes of charging securities-lien, pledge, mortgage, hypothecation etc-registration of firms/companies-creation of charge and satisfaction of charge

3 Module C- Banking related laws

Provisions of Bankers Book Evidence Act

Special features of Recovery of Debts Due to Banks and Financial Institutions Act, 1993

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

The Consumer Protection Act, 1986 Definition, Consumer Protection Councils Chapter II (Sections 4-8) Consumer Disputes Redressal Agencies (Sections 9-15) District Forums, State Commission and National Commission, their powers etc

Banking Ombudsman

4 Module D – Commercial Laws with reference to banking operations

Indian Contract Act, 1872 Chapters VII, IX and X: (Indemnity, Guarantee, Bailment, Pledge and Agency)

The sale of Goods Act, 1930 (Sale and Agreement to Sell, Definitions, Conditions and Warranties, Express and Implied, Right of unpaid Seller)

The Companies Act, 1956 Definition, features of company, Types of Companies, Memorandum, Articles of Association, Doctrines of Ultravires, indoor management and constructive notice, membership of company - acquisition-cessation, rights and duties of members and register of members. Prospects and directors.

Indian Partnership Act, 1932 Definition and types of partnership, relation of partners to one another -Relation of partners to third parties (Section 18 to 29) Minor admitted to the benefits of Partnership (Section 30) Dissolution of firm (Section 39 to 45) Effect of non-registration (Section 69) Transfer of property act FEMA 2000.