

**S.Y. B.Com.**  
**Banking & Finance Special Paper I**  
**Subject Name -: Indian Banking System - I**  
**Course Code -: 206 – B.**

**Objectives:**

1. To create the awareness among the students of Indian banking system.
2. To enable students to understand the reforms and other developments in the Indian Banking
3. To provide students insight into the functions and role of Reserve Bank of India.

<b>Term – I</b>		
<b>Sr. No</b>	<b>Topic</b>	<b>No. of Lectures</b>
<b>UNIT 1</b>	<b>Structure and Role of Indian Banking System:</b> Structure of Indian Banking System Central bank - Commercial banks - Cooperative banks – Developmental Banks- Regional Rural Banks - Local Area Banks Difference between scheduled and non scheduled bank Role of banking system in the economic growth and development	<b>12</b>
<b>UNIT 2</b>	<b>Private sector banks:</b> A) Private sector banks in India: Their progress and performance after <b>Banking Sector Reforms</b> B) Foreign banks in India: Their problems and prospects of Foreign Banks Regulation of Foreign banks in India	<b>12</b>
<b>UNIT 3</b>	<b>Nationalized banks:</b> Social control over banks, Nationalization of banks - Arguments for and against nationalization, Objectives of nationalization, Progress of nationalized banks pertaining to branch expansion, deposit mobilization, credit development and priority sector lending: Lead Bank Scheme,	<b>12</b>
<b>UNIT 4</b>	<b>State Bank of India</b> Evolution of State Bank of India, organization and management of State Bank of India, Subsidiary Banks to State Bank of India. Role of State Bank of India : As an agent of the RBI, as a commercial bank, its role in industrial finance, in foreign exchange business, in agricultural finance and rural development, and in assisting weaker Sections of the Society Merger of SBI Subsidiaries.	<b>12</b>
	<b>Total Period</b>	<b>48</b>
<b>Term II</b>		
<b>UNIT 5</b>	<b>Regional Rural Banks and National Bank for Agricultural and Rural Development (NABARD) :</b> A) Reasons for establishment of Regional Rural Banks (RRBs), Meaning of RRBs, Difference between RRBs and Commercial banks, Objectives of RRBs, Organization and Management of RRBs, Functions of RRBs, Progress, performance and problems of RRBs, <b>Consolidation of RRB's</b> B) <b>National Bank for Agricultural and Rural Development (NABARD):</b> Objectives, Functions and Performance	<b>12</b>
<b>UNIT 6</b>	<b>Cooperative Credit System :</b>	<b>12</b>

	<p>A) Principles of cooperation, Evolution of cooperative credit system.  Meaning, objectives, organization, functions, progress and problems of:</p> <ol style="list-style-type: none"> <li>1. Primary Agricultural Cooperative Credit societies,</li> <li>2. District Central Cooperative banks,</li> <li>3. State Cooperative Banks</li> </ol> <p>B) Urban Cooperative Credit Societies  C) Urban Cooperative Banks</p>	
<b>UNIT 7</b>	<p><b>Reserve Bank of India (RBI) :</b>  Evolution of the Reserve Bank of India,  Organization and Management of the RBI</p> <p><b>A) Functions of the RBI:</b>  Issue and Management of currency  Banker to the government  Bankers' bank: lender of the last resort, central clearance  Supervision of banking system, controller of credit-Qualitative and  Quantitative methods of credit control,  Custodian of foreign exchange reserves  Collections and furnishing of credit information  Agricultural finance, Export finance, Industrial finance</p> <p><b>B) Changing role of RBI:</b> Promotional role, Development role &amp; Super  regulation work.</p>	<b>12</b>
<b>UNIT 8</b>	<p><b>Banking Sector Reforms:</b>  Rationale and objectives of reforms,  Problems of nationalized banks</p> <p><b>A) Recommendations of the Narasimham Committee (I)</b>  Reforms of the committee pertaining to-  Deregulation of interest rate,  CRR (Cash Reserve Ratio),  SLR (Statutory Liquidity Ratio),  CD Ratio- Credit Deposit Ratio  Interest rate structure, Directed credit programme,  Income recognition, Asset classification,  Capital adequacy norms, Provisioning,  Redefining of the NPAs  Management of Non Performing Assets (NPAs),  Debt Recovery Tribunals,</p> <p><b>B) Recommendations of the Narasimham Committee (II)</b>  Consolidation of banking system,  Directed credit programme,  Revision in the Capital adequacy</p> <p><b>C) Financial Inclusion:</b> Role of Micro Finance – Development of Self Help  Groups</p>	<b>12</b>
	<b>Total Period</b>	<b>48</b>

### **Recommended Books:**

1. Functions and Working of the RBI: Reserve Bank of India Publications.
2. Financial Sector Reforms and India's Economic Development: N.A.Majumdar
3. Central Banking and Economic Development: Vasant Desai
4. Monetary Economics: S.B. Gupta
5. Banking in India - S. Panandikar
6. Banking: S.N. Maheshwari
7. Report on Trends and Progress of Banking in India: Reserve Bank of India Publication.
8. Indian Banking System (HKKJRH; CWAD O;OLK; IZ.KKYH) - Prin. Dr. B. R. Sangle
9. Indian Banking System (HKKJRH; CWAD O;OLK; IZ.KKYH) - Prin. Dr. B. R. Sangle, Dr. Murtadak, Dr.M. U. Mulani, Dr. T. N. Salve
10. Annual Reports of Banks
11. Indian banking system - Dr. Rita Swami
12. Indian Banking System - Dr. B.R. Sangle, Dr. G.T. Sangle, Dr. Kayande Patil and Prof. N.C. Pawar
13. Indian Banking System - Prof. S.V. Joshi, Dr. C.P. Rodrigues and Prof. Azhar Khan