

MASTER OF BANKING AND INSURANCE

SEMESTER – IV

MBI 401 : INTRODUCTION TO INFORMATION TECHNOLOGY

Unit-I

Computer Hardware : Processor, Memory bus, Input-output devices, Backing storage devices, RAM, ROM and their sub-classification.

Input Devices : Keyboard, Mouse, Trackball, Lightpen, Touch screen, MICR, OCR, Barcode readers.

Output Devices: CRT monitors, Flat panel LCD monitors, The video controller card, Size, Resolution, Dot matrix printers, Inkjet printers, Laserjet printers.

Unit – II

Different Types of Computers : Desktop PC's, Workstations, Minicomputers, Mainframe computers, Servers, Supercomputers, Notebook computers.

Computer Software: Systems software and application software, Operating systems, Common functions of operating systems, Single user, Multi-user and multitasking operating systems, DOS, WINDOWS, LINUX and UNIX operating systems and comparison between them.

Unit –III

Word processing software, Spreadsheet software, Presentation software, Financial management software, Supply chain management software, Customer relationship management software.

Programming Languages : Machine language, Assembly language, Traditional generation languages, Their characteristics and evolution, Object languages, Assemblers, Compilers and interpreters.

Unit – IV

Database Management Systems : The file based approach and the database approach to data management, Difference between them, Advantages of the database approach, Data, Entities, Attributes and relationships. Data dictionary and DBMS.

Networks: Their uses, LAN, MAN, WAN. Network topologies, Network media, UTP, STP, Twisted pair cable, Coaxial cable, Fiber optics cable, Microwave, Satellite and VSAT networks. Hubs, Switches, Routers, Gateway.

Unit – V

The Internet: Meaning, Uses. TCP/IP, Internet Addressing scheme, Domains and sub-domains, URL, HTTP, FTP DNS, E-mail, Search engines, Word wide web, Internet explorer.

Introduction to Information Systems: Meaning, Data and information, Characteristics and value of information, System and modeling concepts, Business information system, Transactions processing and workflow systems, Management information systems, Decision support systems, Artificial intelligence systems and virtual reality systems.

Suggested Readings:

1. P.K. Sinha : Computer Fundamentals, BPB Publications, New Delhi.
2. Introduction to information technology : Alex leon and Leon, Vikesh Publishing House, New Delhi.

MBI 402 : RISK MANAGEMENT

Unit 1 : Risk and uncertainty, Subjective risk attitude to risk, Acceptable risks vs. unacceptable risks, Classification of risk, The cost of risks, Handling risks.

Unit 2 : The scope and objective of risk management in corporate bodies, Nationalized industries, Local government and public utilities, Personal risk management.

Unit 3 : Risk management process and administration, Techniques of risk management, Risk identification, Risk evaluation, Statistical methods and probability, Concepts, Decision making under conditions of risks and uncertainty, Risk avoidance, Risk reduction and loss control, The Factories Act-1948, Role of insurance surveyors in loss prevention, Mutual aid schemes.

Unit 4 : Risk financing, Risk retention, Risk transfer, Credit risk, Liquidity risk.

Unit 5 : Insurance- Benefits and limitations, Partial insurances, Captive insurance companies.

Risk management and corporate objectives, Risk management policy, Risk management and functional management.

Suggested Readings:

1. O.P. Gupta : Risk Based Internal Audit in Banks, New Delhi.
2. K.M. Bhattacharya : Risk Management in Indian Banks, Himalaya Publishing House, New Delhi.
3. Indian Institute of Banking and Finance : Theory and Practice of Treasury and Risk Management, Taxman, Mumbai.

MBI 403 : ACCOUNTING FOR BANKING AND INSURANCE

Unit – I Accounting Basics

Accounting cycle, Generally accepted accounting principles, Accounting standards relating to insurance business, Definition and scope, Revenue reorganization and realization, Accrual and cash basis.

Unit – II Bank Accounts-I

General information relating to book-keeping system, Ledger, Registers, Slip system of ledger posting, Legal requirements affecting final accounts, Specimen forms of accounting policies, Asset classification, Income from non-performing assets.

Unit – III Bank Accounts-II

Branch vs. Bank accounts, Old approach to income from NPA, Profit and loss account (new format), Preparation of balance sheet, Assets, Liabilities and net worth components.

Unit – IV Insurance Company Accounts-I

Commercial and legal background of insurance business, Contract of insurance, Books maintained by insurance companies, Explanation of special terms peculiar to insurance business, Account of life insurance business, Types of policies, Annuity business, Surrender value, Paid-up policy.

Unit – V Insurance Company Accounts-II

Preparation of final accounts, Life insurance fund,

Valuation of balance sheet, Revenue accounts, Accounts of general insurance business.

Suggested Readings:

1. Anthony, R.N. and Reece, J.S. : Accounting Principles, Richard Irwin Inc., USA
2. Gupta, R.L. and Radhaswamy, M. : Financial Accounting; Sultan Chand and Sons, New Delhi.
3. Monga, J.R., Ahuja Girish and Sehgal Ashok : Financial Accounting; Mayur Paperback, Noida.
4. Shukla, M.C., Grewal, T.S. and Gupta, S.C. : Advanced Accounts; S. Chand & Co., New Delhi.
5. Compendium of Statement and Standards of Accounting : The Institute of Chartered Accountants of India, New Delhi.
6. Agarwal, A.N., Agarwal, K.N.: Higher Sciences of Accounting: Kitab Mahal, Allahabad.
7. Mahashwari and Mahashwari : Advanced Accountancy, Vol. I & II, Vikas Publishing House, New Delhi.

MBI 404 : BANK MANAGEMENT

Unit 1 : Organizational structure of a bank, Their merits and demerits, Board of directors - Constitution and functions, Organizational setup at head, Zonal and regional offices, Internal organizations of different departments, Delegation of power.

Unit 2 : Organizational setup of a branch, Duties and responsibilities of a branch manager, Monitoring of branches.

Unit 3 : HRD in banks, Manpower forecasting, Recruitment, Training, Employee appraisal, Promotion, Industrial relations, Staff productivity, Mechanization in banks, Needs and problems.

Unit 4 : Bank capital - Legal provisions, Bank balance sheet, Reserves and deposits and performance budgeting at head office and at branch, BASEL-2 norms.

Unit 5 : Cash and liquidity management in banks: Investment management, Major issues in lending policy, Planning for loans and advances, Credit management, Concept and methodology, Credit appraisal, Handling of sub-standard and tricky advances, Review and followup of Goiporia and Narshimam committee recommendations.

Suggested Readings:

1. S. Singh : Performance Budgeting for Commercial Banks in India, McMillan, New Delhi.
2. Richard Handscombe : Banker's Management, McGraw Hill, New Delhi.
3. S.V. Vasudevan : Theory of Banking, S. Chand & Co., New Delhi.

MBI 405 : INVESTMENT MANAGEMENT

Unit 1 : Investment banks, Role and importance, Merchant bankers, Role and importance, Underwriters, Role and importance, Ways to raise capital, Need of capital, Private equity, Venture capital.

Unit 2 : Introduction to portfolio management, Phases, Evolution, Role of portfolio management, Meaning of investment, Financial and economic meaning of investment, Features, Objectives, Speculation, Gambling, Types of investors and investment avenues.

Unit 3 : Mutual funds, Types of mutual funds, AMFI, Procedure and documents required to deal in mutual funds, Money market mutual funds, Euro currency bonds, Euro vs. dollar, Foreign currency convertible bonds, ADRs , GDRs, SDRs.

Unit 4 : Credit rating agencies, Meaning and concept, Rating criteria, Economy - Industry - Company analysis, Company - Industry - Economy analysis concept, Efficient market hypothesis concept, Arbitrage and hedging.

Unit 5 : Technical analysis, Meaning, Basic principles, Trends and trend reversals, Chart patterns, Elliot wave theory, Mathematical indicators, Market indicators, Fundamental analysis and difference between EMH approach, Technical analysis, Fundamental analysis.

Suggested Readings:

1. William F. Sharpe, Gordon J. Alexander : Investments, Prentice Hall of India, New Delhi.
2. Dmald E. Fischer and Ronald J. Jordon : Security Analysis and Portfolio Management Prentice Hall of India, New Delhi.
3. Hagin, R. : Modern Portfolio Theory, Homewood III Dow Jones Irwin.
4. Indian Institute of Banker Investment and Merchant Banking, Mumbai.
5. V.A. Avadhani : Investment Management, Himalaya Publishing House, New Delhi.
6. V.N.S. Raman : Investment Principles and Techniques, Vikas Publishing House, New Delhi.

MBI 406 : INTERNATIONAL FINANCE AND FOREIGN EXCHANGE

Unit 1 : Foreign trade, Exchange rate, Fixed and floating exchange rates with practical, Exchange rate system under IMF, Balance of payments and its components, Balance of trade.

Unit 2 : Foreign exchange markets, Features of exchange market, Participants and settlement of transactions, Two way quotation, Spot and forward transactions, Forward margin/swap points, Interpretation of inter-bank quotations.

Unit 3 : Ready exchange rates, Purchase and sale transaction, Exchange quotations, Principles of buying and selling rates, Practice problems, Exchange quotations in international markets (forward/swap), Cross rates and chain rule, Calculation of ready rates, Buying and selling rate.

Unit 4 : Forward exchange contracts, Features, Fixed and option forward contracts, Calculation of fixed forward and option forward rates, Forward exchange rates based on cross rates, Calculation of forward rates for other currencies and for Euro and Sterling with problems, Inter-bank deals, Cover deals, Trading, Funding of nostro account, Swap deals, Arbitrage operations, Execution of forward contract, On due date and early, Cancellation or extension of forward contract.

Unit 5 : Futures and options, Currency futures; Features and future in India, Options, Features, Types,

Execution of contracts, Use of options, Range forwards, Letter of credit, Meaning and mechanism, Types with advantages.

Suggested Readings:

1. V. K. Bhalla : International Financial Management Anmol Publications, New Delhi
2. Alan C. Shapiro : Multinational Financial Management, Prentice Hall India, New Delhi
3. Rup Narayan Bose : Fundamentals of International Banking, McMillan, New Delhi
4. Mohini Viz : International Finance Excel Books, New Delhi.
5. H. R. Machiraju : International Financial Management, Himalaya Publishing House, New Delhi.
6. Indian Institute of Bankers : Introduction to Foreign Trade, Foreign Exchange and Risk Management, McMillian, Mumbai.

MBI 407: VIVA-VOCE