



BANKING AND FINANCIAL SERVICES

23MBPE644

(COURSE HANDBOOK)

MBA

COURSE HEAD:

Dr. Jayashree Shetty

Asst. Prof. Akshitha

1. GENERAL INFORMATION

Welcome to Banking and Financial Services!

The Banking and Financial Services course is designed to provide comprehensive insights into the dynamic world of banking and finance. This course introduces key concepts, processes, and tools essential for understanding the evolving financial landscape.

The course covers critical topics such as the growth and complexities of the banking system, types of banks, and the impact of digital payment technologies like UPI, RTGS, and NEFT. You will explore recent trends, including fintech innovations, neo-banking, and payment banking, along with addressing fraud prevention strategies in banking.

The curriculum extends into specialized areas like merchant banking, highlighting services, issue management processes, and methods for pricing and underwriting. It delves into the workings of non-banking financial companies (NBFCs), microfinance models, leasing, and hire purchase, equipping students with practical skills to evaluate and manage these financial services effectively.

Additionally, you are introduced to credit rating, the depository system, and the process of securitization, fostering an understanding of their importance in financial stability and investor confidence. The course also includes a deep dive into mutual funds, their structures, types, and the factors driving their growth in India.

By the end of the program, you are equipped to relate theoretical concepts to real-world scenarios, apply principles of fund-based and fee-based services, and analyze financial transactions for informed decision-making. The course combines foundational knowledge with practical applications, preparing students for diverse roles in the financial sector. We look forward to an engaging and productive semester together!

1.1 Course Objectives

- **Banking Knowledge:** Impart the knowledge of banking system and various services of banks.
- **Issue Management:** Familiarize the issue management process.
- **Financial Services:** Provide details on fund based and fee based financial services.
- **Transaction Evaluation:** Acquaint the skills of evaluating leasing and hire purchase transactions

1.2 Course outcome

CO1: Relate the concepts of Banking and Financial Services in India.

CO2: Summarize the issue management process.

CO3: Apply the concepts of fund based financial services.

CO4: Apply the concepts of fee based financial services.

CO5: Analyse the leasing & hire purchase transactions for better decision making.

1.3 Set Text and Suggested Sources

All the below mentioned books are available in the 1st Floor Library.

Key Text Books:

1. Khan M. Y, “Financial Services” 10th Edition, Tata McGraw-Hill, 2019
2. Mukund Sharma, “Banking and Financial Services”, 1st Edition, Himalaya Publishing House 2015

Reference Books:

1. Agarwal O. P. “Environment and Management of Financial Services”, 2nd Edition Himalaya Publishing house, 2015
2. Pathak B. V. Indian Financial System”, 6th Edition Pearson, 2024

Weblinks

1. Growth of Banking in India
https://www.youtube.com/watch?app=desktop&v=U9QaXV_cYvo
2. Non- banking financial institutions
<https://www.youtube.com/watch?v=JiNO59ODVxQ>
3. Securitization and credit rating
https://www.youtube.com/watch?v=_yw7CkcJpkk

2. THE COURSE

2.1 Course Description

BANKING AND FINANCIAL SERVICES			
Semester	III	CIE Marks	50
Course Code	23MBPE644	SEE Marks	50
Teaching Hrs/Week (L:T:P)	4:0:0	Exam Hrs	03
Total Hrs	52	Credits	04

The Banking and Financial Services course designed to provide students with foundational knowledge in Banking and Indian Financial Systems. The course will run for 13 weeks during Semester III and consists of 5 modules that cover essential topics in Banking System, merchant Banking and Credit Rating system. Each week includes 4 lectures, delivered by Dr. Jayshree Shetty and Ms. Akshitha, focusing on theoretical concepts, practical applications, and course-related activities. Spanning a total of 52 hours, this 4-credit course is assessed through

Continuous Internal Evaluation (CIE) for 50 marks and a Semester-End Examination (SEE) for 50 marks.

2.2 Initiating Contact with Staff and Other Students

We encourage you to ask questions about the course. Please utilize email and office hours wisely, and review previous communications, official MITE website, and the handbook materials before contacting us with course inquiries. Additionally, engage with your peers for discussions and collaborative learning to deepen your understanding and build a supportive academic community.

2.3 Resources

Resources include books, digital libraries, e-learning platforms, and research databases. The digital resources provide students with anytime, anywhere access to academic materials and interactive courses. Through the college website, students can explore additional offerings like the VTU Consortium and open-access repositories, including government portals such as NPTEL and NDLI. This access to e-books, research papers, and video lectures creates a flexible and comprehensive learning environment.

E-learning and digital library can be accessed via the college website <https://mite.ac.in/> (Campus Life section > Library > VTU Consortium/e-learning platforms/additional sources).

2.4 Staff

- 1 Course Faculty: Dr. Jayashree Shetty
Cabin: 3rd Floor, PG Block
Email: hodmba@mite.ac.in
- 2 Course Faculty: Prof. Akshitha
Cabin: 2nd floor, PG Block
Email: akshitha@mite.ac.in

2.4 Topics and Reading materials for each module

<u>Module 1</u>	<i>No. of Hours: 10</i>
<ul style="list-style-type: none">▪ Topic: Banking System: Growth and its emerging complexities<ul style="list-style-type: none">○ Types of banks –Public Sector, Regional Banks, Credit creation and Deployment of Funds.○ Recent trends in Banking- Banking Technology, Neo banking, Payment banking, Fintech, Bank Performance analysis.○ Digital payments in banks- UPI, RTGS, NEFT, ECS, CTS and other electronic payments Frauds in Banking: Types, Symptoms, Reasons, Effects and ways to reduce or control them.○ Primary Agricultural Co-operative Societies (PACS): Products, working and impact to the society and its upliftment.	

- **Essential Readings:**
 - Khan M. Y, “Financial Services” 10th Edition, Tata McGraw-Hill,2019– Chapter 1
- **Additional Reading:**
 - Pathak B. V. Indian Financial System”, 6th Edition Pearson, 2024- Chapter 1

Module 2

No. of Hours: 10

- **Topic: Merchant Banking**
 - Categories, Services offered, Issue management – Pre and Post issue management, Issue pricing, Preparation of Prospectus, Underwriting, Private Placement, Book Building Vs. Fixed price issues
- **Essential Reading:**
 - Khan M. Y, “Financial Services” 10th Edition, Tata McGraw-Hill,2019 Chapter 16
- **Additional Reading:**
 - Pathak B. V. Indian Financial System”, 6th Edition Pearson, 2024– Chapter 12

Module 3

No. of Hours: 11

- **Topic: NBFCs, Microfinance, Leasing & Hire Purchase**
 - NBFCs: An Overview, types of NBFCs in India-Growth, Functions and Regulatory framework. Micro finance: The paradigm-NGOs and SHGs-Microfinance delivery mechanisms, Models services, Challenges. Future of Micro finance.
 - Leasing & Hire Purchase: nature and scope of leasing, types of leasing, Nature and forms of Hire purchase agreements, Problems on Evaluation of Hire Purchase and leasing transactions. Case study on Hire purchase and Leasing.
- **Activities:**
 - Case Study: Analyze a real-world case on selected banks. Discuss challenges faced by these institutions and their strategies for growth. It fosters problem-solving skills and strategic thinking, preparing students to address real-world issues in financial services and inclusive banking.
- **Essential Reading:**
 - Khan M. Y, “Financial Services” 10th Edition, Tata McGraw-Hill,2019– Chapter 8
- **Additional Reading:**
 - Pathak B. V. Indian Financial System”, 6th Edition Pearson, 2024 - Chapter 7

Module 4

No. of Hours: 11

- **Topic: Credit Rating, Depository System and Securitization**
 - Credit Rating: Functions of credit rating, Importance of credit rating; Benefits of credit rating, Benefits to rated companies, Credit rating process, and credit rating agencies in India. CIBIL and its functioning.
 - Depository System: Objectives of Depository System, Activities, NSDL & CDSL. Process of Clearing and Settlement.
 - Securitization of Debt: Meaning, process, types, benefits
- **Activities:**
 - Study on the functioning of Indian credit rating agencies like CIBIL. Include the benefits of credit ratings to different stakeholders. It enhances their knowledge of credit evaluation processes and the significance of credit ratings for stakeholders, building a strong foundation for careers in finance and analytics.
- **Essential Reading:**
 - Khan M. Y, “Financial Services” 10th Edition, Tata McGraw-Hill, 2019– Chapter 17
- **Additional Reading:**
 - Pathak B. V. Indian Financial System”, 6th Edition Pearson, 2024– Chapter 10

Module 5

No. of Hours: 10

- **Topic: Mutual Funds**
 - Meaning, Structure, Functions, Participants, Types of Funds, Types of Schemes, Performance of Mutual Funds, Factors contributing for the growth of mutual funds in India, Marketing of mutual funds.
- **Activities:**
 - Analyze the growth of mutual funds in India, focusing on factors like regulations, investor preferences, and market trends. Use relevant data and charts. Using data and charts enhances their analytical and visualization skills, preparing them for roles that require interpreting complex financial information.
- **Essential Reading:**
 - Khan M. Y, “Financial Services” 10th Edition, Tata McGraw-Hill, 2019– Chapter 9
- **Additional Reading:**
 - Pathak B. V. Indian Financial System”, 6th Edition Pearson, 2024– Chapter 11

3 ASSESSMENT

The assessment for the Banking and Financial Services module is divided into two components: Continuous Internal Evaluation (CIE) and Semester End Examination (SEE), each accounting for 50% of the total marks.

Continuous Internal Evaluation (CIE) comprises two internal tests, scheduled for 8th and 14th week, which together contribute 30% of the total marks. Additionally, students can earn 20% through the completion of the following assignments:

- Case Study on Selected Banks– **10 Marks**
- Analysis of Mutual Funds Growth in India – **10 Marks**

Semester End Examination (SEE) constitutes the remaining 50% of the total marks which is allocated to a 3-hour written examination. Key information regarding examination dates and related details can be accessed via the college website (Academics and Courses section > Calendar of Events > PG Odd Sem).

Rubrics for Assignment Evaluation (Total: 20 Marks / 40% of CIE)

Rubrics for Case Study Analysis: Selected Banks (10 Marks)					
Criteria	10-9 Marks	8-7 Marks	6-5 Marks	4-3 Marks	0-2 Mark
Case Study Understanding	Demonstrates a deep and well-integrated understanding of the selected bank.	Good understanding with minor gaps.	Basic understanding with limited integration.	Weak grasp of concepts.	No effort to understand.
Identification of Challenges	Accurately identifies key challenges with clear analysis.	Identifies challenges but lacks depth in analysis.	Basic identification with minimal insight.	Limited effort to recognize challenges.	No meaningful identification.
Analysis of Strategies	Provides critical analysis of growth strategies with strong reasoning.	Good analysis with some missing details.	Basic analysis with minimal critical thinking.	Weak analysis, lacks clarity.	No proper analysis provided.
Presentation	Presents ideas clearly, logically, and engages effectively.	Clear presentation but minor issues in engagement.	Basic presentation with limited engagement.	Weak presentation with minimal effort.	Poor presentation

Rubrics for Analysis of Mutual Funds Growth in India (10 Marks)					
Criteria	10-9 Marks	8-7 Marks	6-5 Marks	4-3 Marks	0-2 Mark
Understanding of Mutual Funds Growth	Demonstrates deep understanding of mutual funds growth in India with well-integrated insights.	Good understanding with minor gaps.	Basic understanding with limited depth.	Weak grasp of concepts.	No effort to understand.
Use of Data and Charts	Effectively uses relevant data and charts to support analysis.	Uses data and charts but lacks diversity.	Includes some data but lacks relevance.	Minimal use of data and charts.	No supporting data or visual representation.
Regulatory Factors Analysis	Provides a critical analysis of how regulations have impacted mutual fund growth.	Good analysis with some missing details.	Basic analysis with minimal critical thinking.	Weak analysis, lacks clarity.	No proper analysis provided.
Report Presentation	Well-structured, clear, and professional.	Well-organized but minor clarity issues.	Basic structure, minor formatting issues.	Poorly organized, lacks professionalism.	No organization or clarity.