

Indian Institute of Banking & Finance  
**DB&F Updated Syllabus**

**Principles and Practices of Banking**

<b>Module No</b>	<b>Name of the module</b>	<b>Name of the Unit in the module</b>	<b>Contents</b>
<b>Module A</b>	<b>Indian Financial System</b>	Indian Financial System – An Overview	Role of RBI, Commercial Banks, NBFCs, PDs, FIs, Cooperative Banks, CRR, SLR; Equity & Debt Market; IRDA
		Banking Regulation	Constitution, Objectives, Functions of RBI; Tools of Monetary Control; Regulatory Restrictions on Lending
		Retail Banking, Wholesale and International Banking	Retail Banking- Products, Opportunities; Wholesale Banking, Products; International Banking, Requirements of Importers & Exporters, Remittance Services; Universal Banking; ADRs; GDRs; Participatory Notes
		Role Of Money Markets, Debt Markets & Forex Market	Types of Money & Debt Market Instruments incl. G-Secs; ADs, FEMA, LIBOR, MIBOR, etc
		Role and Functions of Capital Markets, SEBI	Overview of Capital Market; Stock Exchange; Commonly used Terms; Types of Capital Issues; Financial Products/Instruments including ASBA, QIP; SEBI; Registration of Stock Brokers, Sub-brokers, Share Transfer Agents, etc; QIBs;
		Mutual Funds & Insurance Companies, Bancassurance & IRDA	Types of Mutual Funds, its Management & its Role; Role & Functions of Insurance Companies; Bancassurance; IRDA
		Factoring, Forfaiting Services and Off-Balance Sheet items	Types & advantages of Factoring & forfaiting services; Types of off balance sheet items
		Risk Management, Basel Accords	Introduction to Risk Management; Basel I, II & III Accords
		CIBIL, Fair Practices Code for Debt Collection, BCSBI	Role and Functions of CIBIL; Fair Practices Code for Debt Collection; Codes of BCSBI
		Recent Developments in the Financial System	Structure, Reforms in the Indian Financial System; recent developments in Money, Debt, Forex Markets; Regulatory Framework; Payments and Settlement System
<b>Module B</b>	<b>Functions of Banks</b>	Banker Customer Relationship	Types; Different Deposit Products & Services; Services to Customers & Investors
		KYC/ AML / CFT norms	PMLA Act; KYC Norms
		Bankers' Special Relationship	Mandate; POA; Garnishee Orders; Banker's Lien; Right of Set off
		Consumer Protection -	Operational Aspects of COPRA Act & Banking Ombudsman Scheme

		COPRA, Banking Ombudsman Scheme	
		Payment and Collection of Cheques and Other Negotiable Instruments	NI Act; Role & Duties of Paying & Collecting Banks; Endorsements; Forged Instruments; Bouncing of Cheques; Its Implications; Return of Cheques; Cheque Truncation System
		Opening accounts of various types of customers	Operational Aspects of opening and Maintaining Accounts of Different Types of Customers including Aadhar, SB Rate Deregulation
		Ancillary Services	Remittances; Safe Deposit Lockers; Govt. Business; EBT
		Cash Operations	Cash Management Services and its Importance
		Principles of lending, Working Capital Assessment and Credit Monitoring	Cardinal Principles; Non-fund Based Limits; WC; Term Loans; Credit Appraisal Techniques; Sources of WC Funds & its Estimation; Operating Cycle; Projected Net WC; Turnover Method; Cash Budget; Credit Monitoring & Its Management; Base Rate
		Priority Sector Advances	Targets; Sub-Targets; Recent Developments
		Agricultural Finance	Types of Agricultural Loans; Risk Mitigation in agriculture (NAIS, MSP etc)
		Micro, Small and Medium Enterprises	MSMED Act, 2006 Policy Package for MSMEs; Performance and Credit Rating Scheme; Latest Developments
		Government Sponsored Schemes	SGSY; SJSRY; PMRY; SLRS
		Self Help Groups	Need for & Functions of SHGs; Role of NGOs in Indirect Finance to SHGs; SHGs & SGSY Scheme; Capacity Building
		Credit Cards, Home Loans, Personal Loans, Consumer Loans	Operational Aspects, Advantages, Disadvantages & Guidelines of Credit Cards; Procedure and Practices for Home Loans, Personal Loans and Consumer Loans
		Documentation	Types of Documents; Procedure; Stamping; Securitisation
		Different Modes of Charging Securities	Assignment; Lien; Set-off; Hypothecation; Pledge; Mortgage
		Types of collaterals and their characteristics	Land & Buildings; Goods; Documents of Title to Goods; Advances against Insurance Policies, Shares, Book Debts, Term Deposits, Gold, etc; Supply Bills
		Non Performing Assets	Definition; Income Recognition; Asset Classification; Provisioning Norms; CDR
		Financial Inclusion	BC; BF; Role of ICT in Financial Inclusion, Mobile based transactions, R SETI
		Financial Literacy	Importance of financial literacy, customer awareness
<b>Module C</b>	<b>Banking Technology</b>	Essentials of Bank Computerization	Computer Systems; LANs; WANs; UPS; Core Banking
		Payment Systems	ATMs; HWAK; PIN; Electromagnetic Cards;

		and Electronic Banking	Electronic Banking; Signature Storage & Retrieval System; CTS; Note & Coin Counting Machines; Microfiche; NPC; RUPAY
		Data Communication Network and EFT systems	Components & Modes of Transmission; Major Networks in India; Emerging Trends in Communication Networks for Banking; Evolution of EFT System; SWIFT; Automated Clearing Systems; Funds Transfer Systems; Recent Developments in India
		Role of Technology Upgradation and its impact on Banks	Trends in Technology Developments; Role & Uses of Technology Upgradation; Global Trends; Impact of IT on Banks
		Security Considerations	Risk Concern Areas; Types of Threats; Control Mechanism; Computer Audit; IS Security; IS Audit; Evaluation Requirements
		Overview of IT Act	Gopalakrishna Committee Recommendations
		Preventive Vigilance in Electronic Banking	Phishing; Customer Education; Safety Checks; Precautions
<b>Module D</b>	<b>Support Services - Marketing of Banking Services / Products</b>	Marketing – An Introduction	Concept; Management; Products & Services; Marketing Mix; Brand Image
		Social Marketing / Networking	Evolution, Importance & Relevance of Social Marketing/Networking
		Consumer Behaviour and Product	Consumer Behaviour; Product Planning, Development, Strategies, etc; CRM
		Pricing	Importance, Objectives, Factors, Methods, Strategies of Pricing; Bank Pricing
		Distribution	Distribution Channels; Channels for Banking Services; Net Banking; Mobile Banking
		Channel Management	Meaning, Levels, Dynamics, Advantages
		Promotion	Role of Promotion in Marketing; Promotion Mix
		Role Of Direct Selling Agent / Direct Marketing Agent in a bank	Definition; Relevance; Banker as DSA/DMA; Delivery Channels in Banks; Benefits
		Marketing Information Systems – a longitudinal analysis	Functions & Components of MKIS; MKIS Model; Use of Computers & Decision Models; Performance of MKIS; Advantages

## Accounting & Finance for Bankers

Module No	Name of the module	Name Of The Unit In The Module	Contents
<b>Module A</b>	<b>Business Mathematics and Finance</b>	Calculation of Interest and Annuities	Calculation of Simple Interest & Compound Interest; Calculation of Equated Monthly Instalments; Fixed and Floating Interest Rates; Calculation of Annuities; Interest Calculation using Products/Balances; Amortisation of a Debt; Sinking Funds
		Calculation of YTM	Debt- Definition, Meaning & Salient Features; Loans; Introduction to Bonds; Terms associated with Bonds; Cost of Debt Capital; Bond value with semi-annual Interest; Current Yield on Bond; Calculation of Yield-to-Maturity of Bond; Theorems for Bond Value; Duration of Bond; Properties of Duration; Bond Price Volatility
		Capital Budgeting	Present Value and Discounting; Discounted Technique for Investment Appraisal; Internal Rate of Return (IRR); Method of Investment Appraisal; NPV and IRR compared; Investment Opportunities with Capital Rationing; Investment Decision making under condition of uncertainty; Expected NPV Rule; Risk Adjusted Discount Rate Approach for NPV Determination; Sensitivity Analysis for NPV Determination; Decision Tree Analysis for NPV Estimation; Payback Methods; ARR.
		Depreciation and its Accounting	Depreciation, its types and methods; Comparing Depreciation Methods
		Foreign Exchange Arithmetic	Fundamentals of Foreign Exchange; Forex Markets; Direct and Indirect Quote; Some Basic Exchange Rate Arithmetic – Cross Rate, Chain Rule, Value date, etc.; Forward Exchange Rates – Forward Points; Arbitrage; Calculating Forward Points; Premium/discount; etc.
<b>Module B</b>	<b>Principles of Bookkeeping &amp; Accountancy</b>	Definition, Scope and Accounting Standards	Nature and Purpose of Accounting; Historical Perspectives; Origins of Accounting Principles; Accounting Standards in India and its Definition and Scope; Generally Accepted Accounting Principles of USA (US GAAP); Transfer Pricing; Overview of IFRS; Difference between GAAP & IFRS.
		Basic Accountancy Procedures	Concepts of Accountancy; Entity Going Concern Entity; Double Entry System; Principle of Conservatism; Revenue Recognition and Realisation; Accrual and Cash Basis.
		Maintenance of Cash/ Subsidiary Books And	Record Keeping Basics; Account Categories; Debit and Credit Concepts; Accounting and Columnar Accounting Mechanics; Journals;

		Ledger	Ledgers; subsidiary books; etc.
		Bank Reconciliation Statement	Need for Bank Reconciliation; Causes of Differences; Preparation of Bank Reconciliation Statement; How to prepare a Bank Reconciliation Statement when Extracts of Cash Book and Pass Book are given; Adjusting the Cash Book Balance; Advantages of Bank Reconciliation Statement.
		Trial Balance, Rectification of Errors and Adjusting & Closing Entries	Meaning of a Trial Balance; Features and Purpose of a Trial Balance; Types of Trial Balance and Preparation of a Trial Balance; Disagreement of a Trial Balance; Classification of Errors; Location of Errors; Rectification of Errors; Suspense Account and Rectification; Rectification of Errors when Books are closed; Adjusting and Closing Entries.
		Capital and Revenue Expenditure	Expenditure; Distinction between Capital and Revenue Expenditure; Deferred Revenue Expenditure; Receipts; General Illustrations.
		Bills of Exchange	Types of Instruments of Credit; Term and Due Date of a Bill; Certain Important Terms; Accounting Entries to be Passed; Accommodation Bill etc.
<b>Module C</b>	<b>Final Accounts</b>	Balance Sheet Equation	Balance Sheet Equation; Computation of Balance Sheet Equation.
		Preparation of Final Accounts	Preparation of Trading A/C; Profit and Loss A/C; Profit & Loss Appropriation Account; Balance Sheets
		Ratio Analysis	Meaning of Accounting Ratios; Classification of Ratios; Uses of Accounting Ratios; Limitations of Accounting Ratios; Calculation and interpretation of various Ratios; Different Users and their Use of Ratios.
		Final Accounts of Banking Companies	Definition and Functions of a Bank; Requirements of Banking Companies as to Accounts and Audit; Significant Features of Accounting Systems of Banks; Principal Books of Accounts; Preparation and Presentation of Financial Statements of Banks; CMA Format; Accounting Treatment of Specific Items; Preparation of Profit and Loss Account; Comments on Profit and Loss Account; Important Items of Balance Sheet; Disclosure Requirements of Banks; Additional Disclosures prescribed by RBI; Disclosures required under BASEL norms.
		Company Accounts I & II	Definition and Types of Companies; Distinction between Partnership and Limited Liability Company; Classes of Share Capital; Issue of Shares; General Illustrations Non-voting Shares; Form of Balance Sheet; Legal Requirements for Assets; Legal Requirements for Liabilities; Legal Requirements

			for Profit & Loss A/c; Preparation of Final Accounts
		Accounting in a Computerized Environment	Meaning, Features of and Terms used in Computerized Accounting; Difference between Computerized and Manual Accounting; Advantages and Disadvantages of Computerized Accounting; Functions performed by Computerized Accounting Softwares available in the Market; Computerization – Scope and Experiences in Banking; The Core Banking Components; Information Security; Internet and World Wide Web – Influences on Banking
<b>Module D</b>	<b>Banking Operations</b>	Banking Operations Accounting Functions &	Preparation of Vouchers, cash receipt and payment entries, clearing inward and outward entries, transfer debit and credit entries, what is KYC and what are the different documents to satisfy KYC, verify KYC and authenticity of documents, operational aspects in regard to opening of all types of accounts, scrutiny of loan applications/documents, allowing drawals and accounting entries involved at various stages, operational aspects of CBS environment etc., Back office operations in banks, handling of unreconciled entries in banks.

## Legal and Regulatory Aspects of Banking

Module No	Name of the module	Name of the Unit in the module	Contents
<b>Module A</b>	<b>Regulations and Compliance</b>	Legal Framework of Regulation of Banks	Business of Banking; Constitution of Banks; RBI Act, 1934; Banking Regulation Act, 1949; Role of RBI; Govt. as a Regulator of Banks; Control over Cooperative Banks; Regulation by other Authorities.
		Control Over Organization of Banks	Licensing of Banking Companies; Branch Licensing; Paid up Capital and Reserves; Shareholding in Banking Companies; Subsidiaries of Banking Companies; Board of Directors; Chairman of Banking Company; Appointment of Additional Directors; Restrictions on Employment; Control over Management; Corporate Governance; Directors and Corporate Governance.
		Regulation of Banking Business	Power of RBI to Issue Directions; Acceptance of Deposits; Nomination; Loans and Advances; Regulation of Interest Rate; Regulation of Payment Systems; Internet Banking Guidelines; Regulation of Money Market Instruments; Banking Ombudsman; Reserve Funds; Maintenance of CRR, SLR; Assets in India.
		Returns Inspection, Winding up, Mergers & Acquisitions	Annual Accounts & Balance Sheet; Audit & Auditors; Submission of Returns; Preservation of Records and Return of Paid Instruments; Inspection and Scrutiny; Board for Financial Supervision; Acquisition of Undertakings; Amalgamation of Banks; Winding up of Banks; Penalties for offences.
		Public Sector Banks and Cooperative Banks	SBI and its Subsidiaries; Regional Rural Banks; Nationalized Banks; Application of BR Act to Public Sector Banks; Disinvestment of Shares by Govt.; Cooperative Banks
		Financial Sector Legislative Reforms	Need, Approach for Financial Sector Legislative Reforms; Important Reforms
		Recent Legislative Changes in RBI Act	Recent Legislative Changes in RBI Act, Need thereof
		Financial Sector Development Council	Role and Functions of Financial Sector Development Council
<b>Module B</b>	<b>Legal aspects of Banking Operations</b>	Different Types of Borrowers	Types of Borrowers; Limited Liability Partnership
		Types of Credit Facilities	Cash Credit, Overdraft, Demand Loans, Term Loans, Bill Finance
		Secured and Unsecured Loans, Registration of Firms and	Definition of Secured and Unsecured loans; Need for Secured Loans; Registration of Firms; Consequences of Non-registration of Firms; Incorporation of a Company

		Incorporation of Companies	
		Indemnities	Definition of Contract of Indemnity; Features of Indemnity Contract & Guarantee; Scope and Application of Indemnity Contracts to Banks; Obligations of a Banker; Precaution & Rights of an Indemnity Holder
		Bank Guarantees	Definition and Types of Bank Guarantees; Banker's Duty to Honour Guarantee; Precautions to be taken for Issuance of Bank Guarantee; Precautions to be taken for Payment under Bank Guarantee; Invocation & Enforcement.
		Letters of Credit	General Considerations of Letters of credit; Parties to a Letter of credit; Types of Letters of credit; Documents under a Letter of credit; UCPDC 600; Banks obligation for payment of Letter of credit.
		Deferred Payment Guarantees	Purpose of DPGs; Methods of Payment
		Laws Relating to Bill Finance	Class of Bills and Laws Governing Bills; Classification of Bills; Categories of Bill Finance; Bill Finance and Legal Position of Banker
		Various Types of Securities	Types of Securities; Escrow Arrangements; Trust and Retention Arrangements.
		Laws Relating to Securities and Modes of Charging – I	Mortgage; Types of Mortgage; Enforcement of Mortgages
		Laws Relating to Securities and Modes of Charging – II	Lien; Pledge; Hypothecation; etc.
		Registration and Satisfaction of Charges	Definition of Charge; Procedure for Registration of Charge; Effect of Non-registration of Charges; Provisions of Law relating to Registration of Charges
		Case Laws on Responsibility of Paying Bank	Negotiable Instruments Act and Paying Banks; Liability of Paying Banker; Payment in due course; Payment in Good Faith; Whether Payment under Mistake Recoverable
		Case Laws on Responsibility of Collecting Bank	Statutory protection to Collecting Bank; Duties of Collecting Bank
<b>Module C</b>	<b>Banking Related Laws</b>	Recovery of Debts due to Banks and Financial Institutions Act, 1993(DRT Act)	Objective of the Act, Constitution of Tribunal, Procedure to be followed, Enforcement process
		Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act	Constitutional Validity; Definitions; Regulation & Reconstruction; Enforcement of Security Interest; Central Registry; Offences & Penalties; Miscellaneous Provisions



		(SARFAESI)	
		Banking Ombudsmen Scheme	Purpose; Extent; Definitions; Establishment; Powers; Procedure for Redressal Grievance
		Bankers Books Evidence Act, 1891	Applicability; Definition; Important Provisions
		The Legal Services Authorities Act, 1987	Lok Adalats- Organisation; Jurisdiction; Disposal of Cases; Awards
		The Consumer Protection Act, 1986 and CERSAI	Preamble, Extent & Definitions; Consumer Protection Councils; Consumer Disputes Redressal Agencies; Objectives and important provisions of Central Registry of Securitisation Asset Reconstruction and Security Interest of India
		The Law Of Limitation	Definition; Computation of Limitation; Important Provisions in schedule to the Limitation Act
		Tax Laws	Income Tax; Fringe Benefit Tax; Banking Cash Transaction Tax; Service Tax
		Negotiable Instruments Act, 1881	Applicability; Definition; Important Provisions
		Payment & Settlements Systems Act, 2007	Applicability; Definition; Important Provisions
<b>Module D</b>	<b>Commercial Laws with reference to Banking Operations</b>	Indian Contract Act, 1872	Meaning and essentials of contract; Contract of Indemnity & Rights of Indemnity Holder; Contract of Guarantee; Contract of Bailment; Contract of Pledge; Contract of Agency
		The Sale of Goods Act, 1930	Features; Sale & Agreement to Sell; Conditions and Warranties; Express & Implied; Rights of Unpaid Seller
		Indian Partnership Act, 1932	Definition & Types of Partnerships; Relation of partners to one another & to third Parties; Minor admitted to benefits of partnership; Dissolution of a firm; Effect of non registration; Limited liability partnerships-formation, registration, rights and liabilities of partners
		Definition and features of a company	Definition & Features of a Company; Distinction between Company and Partnership
		The Companies Act, 1956	Definition, Features & Types of companies; Memorandum and Articles of Association; Doctrine of Ultra Vires, Constructive Notice, Indoor Management; Membership of Company- Acquisition, Cessation, Register, Rights & Duties of Members, Prospectus; Directors; Winding up of Companies
		Foreign Exchange Management Act, 1999	Important Terms; Powers of RBI, Regulation and Management; Directorate of Enforcement

		Transfer of Property Act, 1882	Sale, Mortgage of Immovable Property; Types of Mortgages; Sale with and without court intervention; Lease of Immovable Property
		The Right to Information Act, 2005	Applicability; Definition; Important Provisions
		Right To Information and Obligation of Public Authorities	Obligations; Procedure; Disposal; Appeal; Orders; Penalties.
		The Prevention of Money Laundering Act, 2002	Obligations; Records to be Maintained; Procedure for Maintaining & Furnishing Information; Maintenance & Verifications of Records of Identity of Clients.
		Information Technology Act, 2000	Definitions; Electronic Governance; Certifying Authorities; Digital Signature Certificates; Penalties; Appeal.