

Certificate Examination in

# Quantitative Methods for Banking & Finance (CQM)

Rules and Syllabus - 2008



**INDIAN INSTITUTE OF BANKING & FINANCE**  
An ISO 9001 - 2000 CERTIFIED ORGANISATION

World Trade Centre, Cuffe Parade,  
Mumbai - 400 005

Web-site : [www.iibf.org.in](http://www.iibf.org.in)

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15. Shri M.D. Mallya, Chairman & Managing Director, Bank of Maharashtra
16. Shri M.B.N. Rao, Chairman & Managing Director, Canara Bank
17. Dr. Asish Saha, Director, National Institute of Bank Management
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19. Dr. K.C. Chakrabarty, Chairman & Managing Director, Punjab National Bank
20. Shri M. Venugopalan, Chairman & CEO, The Federal Bank Ltd
21. Shri Yogesh Agarwal, Chairman & Managing Director, IDBI Ltd.
22. Dr. K. Ramakrishnan, Chairman & Managing Director, Andhra Bank
23. Shri U.C. Sarangi, Chairman, NABARD
24. Shri R. Bhaskaran, CEO, Indian Institute of Banking & Finance

## **ABOUT THE INSTITUTE**

### **GENESIS**

Indian Institute of Banking & Finance, a body of banks and financial institutions and professionals in banking and finance industry in India, was established on 30th April, 1928, at the initiative of few eminent bankers, businessmen and industrialists of India.

### **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 programmes.

### **OBJECTIVES**

The objectives for which the Institute was established are :

- ★ To facilitate study of theory and practice of banking and finance
- ★ To test and certify attainment of competence in the profession of banking and finance
- ★ To collect, analyze and provide information needed by professionals in banking and finance
- ★ To promote continuous professional development
- ★ 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.

### **VISION**

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

### **ACTIVITIES**

- ★ Design, develop and conduct examinations to test the proficiency of bank / financial sector employees in various areas of operations of banks / financial institutions and finance related subjects.
- ★ Award certificates / diplomas to successful candidates.
- ★ Provide necessary educational support services such as tutorial classes, contact programmes and study material.
- ★ Dissemination of knowledge on banking and financial services through publication of quarterly journal “Bank Quest”, a monthly newsletter “IIB VISION” and e-newsletter called ‘fin@quest’ and by organizing lectures / seminars, workshops as a part of continuing professional development programmes.
- ★ Conduct of seminars on topical matters across the country for the benefit of members.

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## The details of the Certificate Examination in Quantitative Methods for Banking & Finance are as under :

### 1.1 OBJECTIVES

To explain various quantitative methods (concepts and principles) in a very simple manner with examples from banking in order to highlight their relevance

### 1.2 SYLLABUS

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, Keeping in view the professional nature of 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 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 / fee structure from time to time. Any alterations made will be notified from time to time.

### 1.3 PATTERN OF EXAMINATION

Question Paper will contain approximately 120 objective type multiple choice questions, carrying 100 marks including questions based on case study/case lets. There will NOT be a system of **negative marking** for wrong answers.

### 1.4 DURATION OF EXAMINATION

Examination will be of two hours duration.

### 1.5 PERIODICITY AND EXAMINATION CENTRES

- (i) The examination will be conducted normally twice a year in June and December on Sundays. The examination will be conducted under **on-line** mode only.
- (ii) A list of examination centers will be provided along with the Examination Application Form.
- (iii) Candidates will have to appear at the centre which they choose while applying for the examination. The venue for the examination will be advised while issuing the examination admit card.
- (iv) Request for change in centre due to transfer or any other valid reason should reach the Institute 45 days before the commencement of the examination. Any request received thereafter will not be entertained.

- (v) No change of centre request will be accepted for personal reasons. In case of employed candidates all the requests for change of centre due to transfer, training and deputation etc. should be accompanied by employer's authentication.

**The Institute reserves a right to close any of the existing centre/s on account of less number of candidates appearing from that centre or any other reason which it may deem fit. In such case, candidates will be advised to appear at the examination from the nearest available centre.**

## **1.6 ELIGIBILITY**

Any graduate of a recognized university will be eligible for admission.

## **1.7 EXAMINATION FEES**

	For Members	For Non members @
First attempt	Rs.2000	Rs.2500
Subsequent each attempts	Rs.1000	Rs.1000

@ Also Rs 500/- towards registration fee is payable by non members.

## **1.8 MEDIUM OF EXAMINATION**

Examination will be conducted in English only.

## **1.9 PROCEDURE FOR APPLYING FOR EXAMINATION**

Examination Application Forms will be available at the Institute's website [www.iibf.org.in](http://www.iibf.org.in) which could be downloaded and filled in. The application forms will also 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) along with requisite examination fee should be submitted to the respective zonal office at Mumbai, Chennai, New Delhi, Kolkata. 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.

## **1.10 ADMIT CARD**

- (i) The Institute will issue Examination Identity Card (to non-members) / Membership Identity Card (to members).

- (ii) In addition to the above, the Institute will issue to all candidates Examination Admit Card before every examination indicating dates, time, venue address as well as User ID and password to be used while appearing at the examination.
- (iii) Both Examination Admit Card and the Membership Identity Card should be produced to the Examination Authority each time at the examination venue for identification.
- (iv) In absence of the Admit Card / Membership Identity Card, the candidate will be denied permission in the examination venue.

### 1.11 CONDUCT AND DISCIPLINE IN THE EXAMINATION HALL

- (i) Candidates should be present at the examination venue at least 15 minutes before the commencement of the examination. No candidate shall be permitted to enter the examination hall after the expiry of 15 minutes from the commencement of the examination.
- (ii) Candidates should ensure that they sign the Attendance Sheet.
- (iii) 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. Such items, if any, should be handed over to the Hall Superintendent before the commencement of the examination. **Mobile phones are strictly prohibited in the examination hall.** A candidate found in possession of such unauthorised material during the examination is liable to be penalized for adoption of unfair means in the examination in addition to reporting the matter to his/her employers for disciplinary proceedings for the misconduct.
- (iv) Candidates will be permitted to use calculators while appearing for the Examination, subject to the following:

Calculators should :

- a) be of pocket size and fully portable
- b) be silent while in 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 same 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 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.

- (v) Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
- (vi) No candidate shall impersonate others or allow others to impersonate himself/herself at the examination.
- (vii) No candidate shall misbehave/argue with the examination conducting authorities at the centre.

**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 below.**

### **1.12 PENALTIES FOR MISCONDUCT / UNFAIR PRACTICES**

The Institute shall have the right to impose penalties on any candidates for committing an act of misconduct / unfair practice in respect of any matter affecting the Institute 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

- (i) to cancel the result of such candidate in all or any of the subjects of the examination at which he / she may have appeared;
- (ii) to exclude him / her from future examinations either permanently or for a specified number of examinations;
- (iii) to report his / her name to his / her employer and
- (iv) 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 right to cancel 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 the event of dispute between the Institute and the candidate, only competent courts in Chennai, Kolkata, New Delhi and Mumbai alone have jurisdiction to entertain the dispute.**

### **1.13 PASSING CRITERIA**

The candidate has to secure 50% or more marks in the examination to pass, i.e. 50 marks out of 100.

### **1.14 DECLARATION OF RESULTS**

Provisional score card will be given to candidates at the end of each examination.

The final result of the examination along with marks secured for each subject will normally communicated to candidates appeared within two months after the examination.

### **1.15 FACILITY FOR VERIFICATION OF MARKS**

Facility for verification of marks will not be available since it is on-line examination and evaluation is computerized.

### **1.16 ISSUE OF CERTIFICATES**

Candidates who pass the examination will receive a certificate within six months after the Examination.

## **2. EDUCATIONAL SUPPORT**

The Institute publishes a quarterly journal **Bank Quest**, covering various aspects of banking and allied subjects. This is a priced publication and the annual subscription for the same is Rs.140/- (for four issues) for the present.

### **2.2 IIB VISION**

The Institute also publishes a monthly newsletter titled as “IIB VISION” covering news on latest developments in banking and finance. This is sent to all regular members free of cost.

Subscription rate for Non-Members

1 Year (12 issue)	Rs.40.00
2 Year (24 issues)	Rs.80.00

### **2.3 e-newsletter : FIN@QUEST**

The Institute publishes a daily e-newsletter through its portal, covering various aspects of banking and finance and its subscription rate is Rs. 500/- per annum. This newsletter will be supplied to the email address of the subscriber on daily basis.

## 2.4 STUDY MATERIAL / COURSEWARE

The Institute has published study books to facilitate study and will be available at outlets/ showrooms/ distributors of M/s. Macmillan India Ltd.

The price of each book and detail list of outlets is mentioned in 3.1 and 3.2 below.

Candidates may purchase directly from outlets/ showrooms/ distributors of the above.

Candidates who purchase books directly from outlets of publishers will be offered a discount of 20% on the cost price of the book. Candidates desirous of purchasing books by post will not be offered any discount. However the postage will be borne by publishers. Candidates would be required to send their indent to publishers' outlet along with a Demand Draft for the cost of books. The Demand Draft should be drawn in favour of M/s Macmillan India Ltd. (No cheques will be accepted). Candidates are requested not to send any request for the purchase of books to the Institute's Zonal Offices / Corporate Office.

## 3. OTHER INFORMATION

### 3.1 PRICE LIST OF THE STUDY MATERIAL FOR THE EXAMINATION

#### ENGLISH MEDIUM

Name of the Book	Price
Quantitative Methods for Banking & Finance	Rs.125/-

### 3.2 ADDRESSES OF MACMILLAN INDIA LTD.

#### BRANCHES & SHOWROOMS

<p><b>Chandigarh</b> First Floor, SCO Number, 449-450, Sector 35C, Chandigarh - 160022 Phone: (0172) 2611651/ 5088291 Email: milchd@macmillan.co.in</p>	<p><b>Lucknow</b> 17/1 Mudra Building, Madan Mohan Malviya Marg, Lucknow - 226001 Phone: (0522) 2209780/ 2208810 Email: milluc@macmillan.co.in</p>
<p><b>New Delhi</b> 2/19 Ansari Road, Daryaganj, New Delhi - 110002 Phone: (011) 23273624/ 23273814/ 23263969/ 23289442/ 23289443 Email: mildel@macmillan.co.in</p>	<p><b>Cuttack</b> Maitree Vihar, Link Road, Cuttack - 753012 Phone: (0671) 2311979/ 2331979 Email: milcut@macmillan.co.in</p>

<p><b>Guwahati</b> S C Goswami Road, Pan Bazar, Guwahati - 781001 Phone: (0361) 2516564/ 2633529 Email: milguw@macmillan.co.in</p>	<p><b>Kolkata</b> Unit No 302, L&amp;T Chambers (3rd Floor), 16 Camac Street, Kolkata - 700017 Phone: (033) 22834480-85 Email: milcal@macmillan.co.in</p>
<p><b>Patna</b> Sinha Library Road, Patna - 800001 Phone: (0612) 2232550 / 22242348 Email: milpat@macmillan.co.in</p>	<p><b>Bangalore</b> 12-12/A Shrungar Shopping Centre, M G Road, Bangalore - 560001, Phone: (080) 25583777, Email: milbgl@macmillan.co.in</p>
<p><b>Chennai</b> 240 Lloyds Road Chennai 600086 Phone: (044) 28353372 / 28353174 Email: milllo@macmillan.co.in</p>	<p><b>Coimbatore</b> 136 Sarojini Street, Ram Nagar, Coimbatore - 641009 Phone: (0422) 2230940/ 2237805 Email: milcbe@macmillan.co.in</p>
<p><b>Hubli</b> Suvidha Annexe, F-17 Block A, 389 Keshawapur, Hubli - 580023 Phone: (0836) 2361944 Email: milhub@macmillan.co.in</p>	<p><b>Hyderabad</b> 104-105 Shakti Sai Complex, Ist Floor, Chapel Road, Abids, Hyderabad - 500001 Phone: (040) 23212867/ 66633233 Email: milhyd@macmillan.co.in</p>
<p><b>Madurai</b> 6-A Sarojini Street, Chinna Chokkikulam, Madurai - 625002 Phone: (0452) 2530207/ 2527731 Email: milmdu@macmillan.co.in</p>	<p><b>Thiruvananthapuram</b> Narayana Towers, Vazhuthacaud, Thiruvananthapuram - 695014 Phone: (0471) 2328314 Email: miltvm@macmillan.co.in</p>
<p><b>Visakhapatnam</b> 30-15-138 II Floor, Binayaka Complex, Dabagardens, Visakhapatnam - 530020 Phone: (0891) 2745384 Email: milviz@macmillan.co.in</p>	<p><b>Bhopal</b> 76 Malviya Nagar, TT Nagar, Bhopal - 462003 Phone: (0755) 2553895 Email: milbho@macmillan.co.in</p>

<p><b>Jaipur</b>  B-48 Sankar Marg,  Opp. Imliwala Phatak,  Lal Kothi Scheme,  Jaipur - 302015  Phone: (0141) 2741308  Email: miljai@macmillan.co.in</p>	<p><b>Nagpur</b>  House No. 158, Ist Floor,  Near Kasturba Library,  Sadar Extension Area,  Nagpur - 440001  Phone: (0712) 2531241  Email: milnag@macmillan.co.in</p>
<p><b>Mumbai</b>  Mercantile House, Magazine Street,  Reay Road (East),  Mumbai - 400010  Phone: (022) 23724401/ 23726017/  23741423  Email: macray@bom3.vsnl.net.in</p>	<p><b>Mumbai</b>  207 Town Centre,  Next to Mittal Estate  Andheri Kurla Road  Andheri East  Mumbai 400059  Phone : (022) 2852 6228 -31  Email : macray@bom3.vsnl.net.in</p>
<p><b>Pune</b>  8 Shreenad Apartments,  2030 Sadashiv Peth,  Tilak Road,  Pune - 411030  Phone:(020) 24329872/3  Email: milpun@macmillan.co.in</p>	

**4. SYLLABUS FOR EXAMINATION****I. Time Value of Money**

- a. Simple Interest
- b. Compound Interest
- c. Frequency of Compounding
- d. Continuous Compounding
- e. Present Value

**II. Differential Calculus**

- a. Function
- b. Graphical Representation of a Function
- c. Derivative of a Function
- d. Increasing and Decreasing Function
- e. Second Order Derivatives
- f. Maxima and Minima

**III. Statistical Measures**

- a. Frequency Distribution
- b. Measures of Central Tendency
- c. Measures of Dispersion
- d. Measures of Skewness
- e. Measures of Kurtosis
- f. Correlation
- g. Regression

**IV. Probability Theory**

- a. Probability
- b. Conditional Probability
- c. Random Variable
- d. Distribution Function
- e. Expectation and Standard Deviation
- f. Binomial Distribution
- g. Poisson Distribution
- h. Normal Distribution

**NOTES**



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## COURSES OF IIBF

### A. Flagship Courses (Only for members\*)

Associate Examination

- JAIB
- CAIB

### B. Diploma Courses (for Members and Non-Member\*\*)

- Diploma in Treasury, Investment and Risk Management (DTIRM)
- Diploma in Banking Technology (DBT)
- Diploma in International Banking and Finance (DIBF)
- Advanced Diploma in Urban Co-operative Bank (ADUCB)
- Diploma in Commodity Derivates for Bankers (DCDB)
- Post Graduate Diploma in Financial Advising (PGDFA)
- Diploma in Home Loan Advising (DHLA)

### C. Specialised Certificate Courses (for Members and Non-Members\*\*)

- Certificate in Trade Finance (CTF)

- Certified Information System Banker (CeISB)
- Certificate in Anti-Money Laundering / Know Your Customer (AML/KYC)
- Certificate in Quantitative Methods for Banking & Finance (CQM)
- Certificate in Credit Cards for Bankers (CCCB)
- Certificate Examination in Banking Oriented Paper in Hindi (BOPH)
- Certificate Examination for DRA
- Certificate Examination in Basics of Banking for employees of IT Companies

### D. Specialised Diploma Courses

- Diploma in Banking & Finance (DBF)

### E. Management Courses

- Advanced Management Programme in collaboration with leading Management Institutions
- Project Management Course with IFMR, Chennai
- CAIB linked MBA by IGNOU.

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### Educational support :

- Publishing specific courseware for each paper/examination and Workbooks etc.
- Tutorials through Accredited Institutions, Virtual Classes, e-learning through portal, Contact classes or campus training
- Model Questions and subject updates on the net

### Other activities :

- Research, Seminars, Conferences, Lectures, etc.
- Publications of books, Daily e-newsletter, monthly newsletter and quarterly journal
- Training and Consultancy and Financial Education

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\* Members are employees of Banks and Financial Institutions who have enrolled as members of IIBF.

\*\* Non-Members are eligible candidates for each course / examination without IIBF Membership.

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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 centers / offices as may be notified from time to time. The same is also available at our website [www.iibf.org.in](http://www.iibf.org.in)

### Corporate Office :

Indian Institute of Banking & Finance  
The "Arcade", World Trade Centre,  
2nd Flr, East Wing, Cuffe Parade  
**Mumbai** - 400 005  
Tel : 2218 7003 / 4 / 5  
Fax : 022-2218 5147 / 2215 5093  
E-mail : [iibgen@bom5.vsnl.net.in](mailto:iibgen@bom5.vsnl.net.in)

### Northern Zonal Office :

Indian Institute of Banking & Finance  
11th Floor, Atmaram House,  
1, Tolstoy Marg,  
**New Delhi** - 110 001  
Tel : 011-2335 4316 / 2335 4921  
Fax : 011 - 23351165  
E-mail : [iibnz@iibf.org.in](mailto:iibnz@iibf.org.in)

### Southern Zonal Office :

Indian Institute of Banking & Finance  
76, Arya Gowda Road,  
West Mambalam,  
**Chennai** - 600 033  
Tel : 044-2474 6961 / 2471 5990,  
Fax : 044-2474 6966  
E-mail : [iibsz@iibf.org.in](mailto:iibsz@iibf.org.in)

### Western Zonal Office :

Indian Institute of Banking & Finance  
Maker Tower, 'F' Wing, 19th Floor,  
Cuffe Parade, Colaba  
**Mumbai** - 400 005  
Tel : 022-2218 3302 / 2218 5134  
Fax : 022-2218 0845  
E-mail : [iibwz@iibf.org.in](mailto:iibwz@iibf.org.in)

### Eastern Zonal Office :

Indian Institute of Banking & Finance  
408, 'Anandlok', 4th Floor,  
227, Acharya J. C. Bose Road,  
**Kolkata** - 700 020  
Tel : 033-2280 9681 / 82 / 83,  
Fax : 033-2280 9680  
E-mail : [iibez@iibf.org.in](mailto:iibez@iibf.org.in)

