

(Proposed from A.Y. 2021-2022)

**NIRMA UNIVERSITY**  
**INSTITUTE OF TECHNOLOGY**  
**Bachelor of Technology (All)**  
**Semester V/VI**

L	T	P	C
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<b>Course Code</b>	<b>2HSOEXXX</b>
<b>Course Title</b>	<b>Money, Banking and Finance</b>

**Course Outcomes (CO):**

At the end of the course, students will be able to -

1. explore various concepts of banking and financial system
2. relate financial products and services
3. interpret financial markets
4. infer regulatory framework in banking and financial system
5. analyze financial statements and reports

**Syllabus:**

**Teaching Hours: 45**

**Unit I**

**04**

**Money:** Evolution and Functions of Money, Forms of Money in Modern Times. Coins to Crypto – Payment System, Liquidity of Money and its determinants; Legal Tenders, Pure Money and Near Money, RBI Classification of Money, RBI's stand on Crypto Currencies

**Unit II**

**15**

**Commercial Banking:** Commercial Banks – Meaning and Functions, Credit Creation, History and Evolution of Banking Institutions in India– Bank Nationalization, Bank Mergers; Types of Banking Institutions –Commercial Banks, Co-operative Banking system; Bank Deposits – Demand Deposits, Time Deposits, Deposit Insurance; Lending activity – Fund based, Non-fund Based lending, Asset-based lending; Short Term and Long Terms Loans; Mode of Credit Delivery- Cash Credit, Discounting Bills, Overdraft, Term Loans, Consortium Finance, Loan Syndication, and Multiple Banking, Legal Aspect of Lending – Pledging, Hypothecation, and Mortgage; Fee-Based Services, Retail vs Corporate Banking, Fee-based Services including Merchant Banking, Merchant Banking

**Unit III**

**05**

**Central Bank and Regulation of Bank Credit:** Central Bank – Meaning and Functions with Special Reference to RBI, History of RBI, Central Bank Autonomy, Credit Control- Need and Objectives, Quantitative and Qualitative Credit Control Measures in response to inflationary and recessionary tendencies . Credit Policy of RBI in Recent Times

**Unit IV** **03**  
**Negotiable Instruments:** Promissory Notes, Bill of Exchange, Cheques, Special Features – Negotiability, Validity, Crossing & Endorsement.

**Unit V** **12**  
**Indian Financial System:** The Financial System –Nature, and Role of Financial System in Economic Development; Financial Intermediaries – Banking Vs Non-Banking Financial Institutions, Shadow Banking –Financial Companies; Financial Markets – Money market and Capital Market, Stock Exchanges in India; Financial Instruments –Money Market Instruments, Capital Market Instruments, Financial Derivatives, Financial Regulatory Agencies – SEBI,

**Unit VI** **03**  
**Sources &Uses of Funds:** Bank Balance Sheet, Sources & Uses of Funds in a Bank. Form of Balance Sheet of Banking Companies. Different Schedule under Banking Regulation Act. – Provisioning norms of CRR & SLR

**Unit VII** **03**  
**Contemporary Issues in Banking and Financial Sectors:** Issue of Governance, Non-Performing Assets, Demonetization, Bank Failures

**Self-Study:** Self-study contents will be declared at the commencement of the semester. Around 10 percent of the questions will be asked from the self-study contents.

### **Suggested Readings<sup>^</sup>:**

1. Bhole, L M. Financial Institutions and Markets, 4<sup>th</sup> e Tata McGraw Hill.
2. Khan, M Y. Indian Financial System, Theory and Practice, 4<sup>th</sup> e, Tata McGraw Hill.
3. Paul, Justin and Suresh, Padmalatha. Management of Banking & Financial Services, Pearson.
4. History of RBI, RBI History – Reserve Bank of India, [www.rbi.org.in](http://www.rbi.org.in) › scripts › RHvol-4
5. Acharya, Viral, Quest for Restoring Financial Stability in India, SAGE Publications Inc
6. Bandyopadhyay, Tamal., Pandemonium: The Great Indian Banking Tragedy, Roli Books

<sup>^</sup>This is not an exhaustive list

**L= Lecture, T= Tutorial, P= Practical, C= Credit**