

BANK MANAGEMENT

(3 Credits)

Objective:

This course aims at enabling the students to understand and to contribute to the strategic operational policies and practices of commercial bank management in a competitive environment.

MODULE I - COMMERCIAL BANKING IN INDIA (15)

Unit 1 : Introduction – Scheduled and non-scheduled banks – Origin & Development - Evolution and growth of banking system in India – Present Structure - Recommendations of Narasimham Committee –Challenges before Indian commercial banks – Opportunities for Indian commercial banks – Strengths and weaknesses of Indian commercial banks – Banking sector reforms

Unit 2: Liquidity – Purpose – Sources – Measurement – Liquidity / profitability problem – Theories of liquidity management – Priorities in the employment of bank funds – Problem of resource allocation in Indian commercial banks.

Unit 3: Capital Adequacy in Banks - Functions of capital funds in commercial banks – Capital adequacy – Basle norms on capital adequacy – Capital adequacy norms in Indian commercial banks – Present position of capital adequacy in Indian commercial banks

MODULE II – BANKING OPERATIONS (20)

Unit 1: Credit Management - Cardinal principles of sound bank lending – Formulating loan policy – Factors influencing loan policy – Contents of loan policy – Evaluating credit applicant – Loan supervision

Unit 2: Investment Management - Nature and significance of investment management in commercial banks – Fundamental principles of security investment by commercial bank – Management of security investment – Reviewing investment portfolio – Organisation of investment function.

Unit 3: Asset Liability Management and Non-Performing Assets - Concept of ALM – Objectives – Functions – Process – Measurement and Management of Risks
Concept of NPAs, NPAs in Indian commercial banks, Causes, Suggestions and steps for containing NPAs, Prudential norms

MODULE III- BANK MARKETING (10)

Unit 1: Concept of bank marketing - Formulating and implementing marketing strategies for a commercial bank

Unit 2: Relationship banking- Concept, Distinguishing features, Utility, Fundamentals of relationship banking, Process of developing relationship with customers, Formulating relationship banking strategy

Suggested Readings:

1. Srivastava, *Divya Nigam, Management of Indian Financial Institutions*, Himalaya Publishing House.
2. M. Y. Khan, *Indian Financial System*, Tata McGraw Hill.
3. Bharati Pathak, *Indian Financial System*,
4. Gerald Hatler, *Bank Investments and Funds Management*, Macmillan
5. Stigum, *Managing Bank Assets and Liabilities*, Dow-Jones Irwin.
6. Dudley Lockett, *Money and Banking*, MacGraw Hill.
7. Vasant Joshi, Vinay Joshi, *Managing Indian Banks- Challenges Ahead*', Response Books.

Journals:

Professional Banker