First Year B. Com. Banking & Insurance

FIRST YEAR – SEMESTER I

1.1 Environment and Management of Financial Services
1.2 Principles of Management
1.3 Effective Communication : Paper - I
1.4 Economics : Paper - I
1.5 Quantitative Methods : Paper I
1.6 Introduction to Computer Systems

ENVIRONMENT AND MANAGEMENT OF FINANCIAL SERVICE

Module 1.1

A. Environment of Financial Services

1. Nature and Scope of Banking, Insurance and other Financial Services in Economic Growth:
An Overview of Indian Financial System and its constituents.
A broad understanding of Terms of "Banking, Insurance and Other Financial Services their meaning and their use in daily Business. Justification or inclusion of Banking and Insurance also in the package of Financial Service".

2. **Banking :** Origin and Development of Indian Banking.
Present Structure : Central Banking (RBI): Commercial Banking (Nationalised and Private): Cooperative Banking: Development Banking; (Financial Institutions like NABARD, IDBI. SIDBI. Exim Bank, IFCI. ICICI, SHCL. DFHI. NHB, SFCs etc..) investment Banking: International Banking. Roles and Functions of different types of Banking. Regulatory Framework governing the functioning of different types of Banks (RBI Act. 1984, Banking Regulations Act, 1949 and): Laws and Enactments affecting day to day Banking Operations - Collections and Payments. Indemnities. Bank Guarantees. Letter of Credit. Bill Discounting. Bill Financing and Securities (Indian Contracts Act, Sale of Goods Act. Negotiable Instruments Act, Evidence Act. Indian Partnership Act, Indian Company Law etc.

3. **Insurance:** Need for and Importance of Insurance:
Risk Management, Risk and Return Relationships: Types of Risks, Qualification of Risks;
Branches of Insurance (Life and General - Different Schemes);
Insurance Business Environment;
Mathematical Basis of Life Insurance, Reinsurance Cover,
Regulatory and Legal Framework governing the Insurance; Business and Economics of Insurance.
Need for changing Mindset. Latest Trend,

4. **Other Financial Services:**
Objectives of Financial Services
Types of Financial Services—Classified on the basis of Market Instruments used -
Capital Market Services, Issue Management/Merchant Banking, Portfolio Management, Mutual Funds. Investing and Broking, Dematerilsation of Securities.
Money Market Services (Arbitrating in and distribution of Money Market Instruments such as

Commercial Paper, Certificate of Deposits, T-Bills, Transactions in Repose & Reverse Repose. Commercial Bills etc., Management of short-term funds such as money Market Mutual Funds, Managing Receivables that is, Factoring or Bills Discounting)

Asset Related Credits such as Leasing, Hire-Purchase, Stock Financing & Venture Financing: Risk- based such as Letters of Credit, Guarantees and Bills Receivables, Mortgages & Housing Finance.

Financial Engineering and Advisory services - Concepts - Procedures/Formalities and Regulatory and Legal framework governing the functioning of Money Markets.

Reform of the Financial System - Financial Services - Challenges Ahead.

B   Management of Financial Services

1.	Banking Finance.	2.	Venture Capital
3.	Consumer Finance	4.	Disinvestment
5.	Securitisation	6.	Leasing or Lease Finance
7.	Swaps	8.	Derivatives
9.	Factoring	10.	International Finance (Foreign-Exchange)
11.	Electronic Banking		

PRINCIPLES OF MANAGEMENT

Module 1.2.

1.   **Nature of Management :** Definition of Management. Nature of Management. Management as a Science, as an Art. as a Profession- Professionalisation of Management, Traditional Management Vs. Professional Management, Level of Management.

2.   **Development of Management Thought.**
Taylor's Scientific Management, Contribution of Henri Fayol, Contribution of Peter Druker, Contribution of behavioural scientists and Indian Management thoughts.

3.   **Management Process:** Functions of Management, coordination, Planning, Organising, Controlling, Directing, Decision Making. Motivating and Leadership.

4.   **Planning & Decision Making:** Definition and importance of Planning, steps in Planning, Corporate Planning. Strategic Planning. Limitations of Planning. Forecasting Concepts and technique of forecasting, planning premises.

5.   **Organising :** Organisation Structure, Process of organising, Basic structures and operating Mechanism, Features of a good Organisation structure, Organisation Chart-Organisation Manual-Departmentalisation. Authority and Responsibility, Management of change - Delegation. Types of organisation.

6.   **Controlling :** Steps In Controlling, Essentials of effective controlling. Importance of controlling control techniques. Budgetary control. Break even analysis. Pert-CPM-Management audit. Human resource audit, social audit.

7.   **Motivation :** Theories of Motivation. Maslows need hirarchy. Hezberg's motivation. 'Hygiene theory McGregor's theory -X and rooms expectancy theory and theory-Y

8.   **Leadership:** Definition. Importance. Leadership styles. Effective leadership, Quality of good leader & Mentor.

9. **Staffing :** Recruitment and Selection, sources of man-power, selection process. Training and Development

Visits : Atleast a day visit to a leading Bank or Financial Institution and one visit to a Insurance Company.

EFFECTIVE COMMUNICATION : PAPER - I

Module 1.3

1. **CONCEPT OF COMMUNICATION**
    Definition, need and importance of Communication, Process of Communication, Objectives of Communication e.g. Information, education, training, order and Instruction. Motivation, persuasion, suggestion. Counselling and advice. Characteristics of effective communication

2. **COMMUNICATION SKILLS**
    A-1 Listening:
    Definition of Listening, Types of Listening - projective emphatic, marginal etc.
    How to listen effectively (Practice may be given to the students in listening with comprehension with special emphasis on significant words, sentences & sequence of thought.) Barriers to listening- marginal, intellectual, pretended.
    A-2 Reading:
    Reading with fluency and speed
    Ways of reading (skimming, scanning, extensive reading. Intensive reading.
    Subskills of reading:
    Identifying inferring interpreting, collecting and reordering relevant Information from texts.
    Recognising vocabulary, -grammatical structure and textual organisation. (Practice may be given to the students in recognising & understanding cohesive devices and coherence)
    A-3 Writing:
    Vocabulary and grammar (practice may be given to the-students In using' vocabulary
        and grammatical structures arising out of texts related to financial'- services including acquaintance with financial terms)
    Factual Writing
    Notice, circular, agenda, resolutions, minutes, agreements etc.
    Editing and summarising.
    Rewriting editing, shortening condensing, preparing abstracts.
    A-4 Speaking:
    Naturalness and fluency
    Pronunciation and sentence stress
    Voice modulation, Confidence and sensitivity to audience.

B. **"You" Attitude** ('You' attitude has to be emphasised in the practice of all the above-mentioned skills.)

3. **MODES OF COMMUNICATION :** Verbal and Nonverbal. Verbal- Oral and written communication. Face to face communication
    Nonverbal-Facial expressions, gestures, signs, symbols, signals.   sketches, graphs, maps, charts, posters. Silence

C. **Conventional and Electronic**
    Conventional mail telex telephone/telegraph. Electronic Fax, computers, internet E-mail websites.

4. **COMMUNICATIVE FUNCTIONS :** Enquiry order, persuasion, complaints, 'claims, adjustments, (practice may be given to the students in using specimen 'documents e.g. circulars from SEBI, RBI bulletins, Govt. notifications rules, amendments, advertisements, sales letters etc. and other relevant material may be used to explicate the above mentioned functions)

5. **BARRIERS TO COMMUNICATION :** Types of barriers - Physical and mechanical. Psychological linguistic and socio-cultural How to overcome barriers

6. **WRITTEN COMMUNICATION :** Principles of letter writing. Layout/Format of business letters Application, appointment, confirmation, promotion, demotion, termination. Bio-data. Testimonials.

7. **ORALCOMMUNICATION :** Speeches on different occasion e.g. Inauguration, welcome. Introduction, felicitation vote of thanks Group Communication (Inter action)
Group discussions, committees, conferences. Symposium, Seminars, panel discussions teleconferencing.(Practices may be arranged for the students for the above topics)

ECONOMICS : PAPER - I

MICRO ECONOMICS

Module 1.4

1. **INTRODUCTION:** Scarcity, choice and. efficiency (with reference to PPC) - Basic tools of economic analysis: equations, functions, identities, slope, time - series, cross-section analysis, scatter diagrams, derivatives and limits.

2. **DEMAND AND SUPPLY:** Determination of equilibrium price in an open market system. Elasticity of demand - Price, Income. Cross. Promotional elasticity of demand- its measurement and its application in business decisions. Demand forecasting Survey and statistical methods.

3. **PRODUCTION FUNCTION:** Production function-Laws explaining production function in the short and the long run- Internal and external economies.

4. **COST AND REVENUE ANALYSIS:** Cost concepts behaviour of costs in the short-run and long-run. Revenue concepts-Break-even analysis

5. **MARKET STRUCTURE:** Features of perfect competitions and monopoly-concepts of price discrimination-equilibrium under dumping. Features of Monopolistic competition. Oligopoly- Price indeterminateness - Cartel formation. Different forms of price leadership.

6. **PRICING PRACTICES:** Marginal cost-pricing-Cost, plus pricing -Transfer pricing -Case studies of Pricing practices.

QUANTITATIVE METHODS : PAPER - I

Module 1.5

a) **Introduction:** Organizing Data, Frequency Distribution. Measures of Central Tendency. Organising data. Preparation of frequency distribution Graphical and diagrammatic representation-Histogram, Frequency Polygon and Ogives. Definition of Averages and objective of Averages Types of Averages.

Arithmetic mean, Geometric, Harmonic mean and its usages, mode and medium (using graph also) for both grouped as well ungrouped data.

b) **Measures of Dispersions:** Concept and idea of dispersion. Various measures Range, Quartile Deviation. Mean Deviation, Standard Deviation and corresponding relative measures of Dispersion, Geographical representation and utility of various measures of Dispersions.

c) **Co-variance, Co-relation arid Regression:** Meaning, Definition and Implication of covariance. Concept of correlation. Rank Correlation. Regression concept. Relationship with Correlation, Assumptions in Simple Regression. Estimation using Simple Regression: Fitting of a straight line, Method of least squares, construction of characteristics line/estimation line $(y = a + bx)$, Slope of the regression line and its interpretation (theoretical and graphical).

d) **Multiple Regression :** Regression with two independent variables. $Y = a + b_1 x_1 + b_2 + x_2$, standard error of the Estimate. Co-efficient of Multiple Correlation and Partial Correlation.

e) **Probability:** Probability Distribution and Decision Theory, Concept of Probability yenn diagrams. Rules of Probability (addition and multiplication) Conditional and Unconditional Probability (dependent and independent events), Baye's theorem. Discrete and Continuous Variable. Expected value of the variable. Decision theory, Normal distribution.

f) **Mathematical Topics**
    a.   Percentage Brokerage   b. Linear equation Solutions (for 2 variables)
    c.   Graphs,   d. Concept of slope, area under the curve optimization.
    e.   Extrapolation, Interpolation (Meaning & uses. Graphical & linear method. Interpolation in financial analysis)

INTRODUCTION TO COMPUTER SYSTEMS

Module 1.6

1. **Computer Hardware :** Processor, memory, bus, Input-output devices, backing storage devices. Fetch / execute cycle, word length, bus line width. CISC & RISC' machines. RAM, ROM and their sub-classifications.
Input Devices : Keyboard, mouse, trackball, Pen input, touch screen, game controllers, barcode readers, scanners & OCR, OMR, MICR, microphone and voice recognition devices, video input, digital cameras. POS terminals.
Output Devices : CRT Monitors, Flat panel LCD monitors. The video controller card. Size. resolution, refresh rate and dot pitch comparison of monitors. COM devices. LCD projectors, sound systems. Dot Matrix Printers, ink jet and bubble jet printers, laser printers.
Backing Types of Computers : Magnetic disks diskettes, removable high capacity disks, RAID. tape drives DAT drive. Optical disks: CD-ROM, Photo-CD, CD-R, CD-RW, DVD.
Different Types of Computers : Desktop PC's, workstations, minicomputers/mid-range computers, mainframe computers, servers, supercomputers, notebook computers, hand-held computers. Multimedia computers.

2. **Computer Software :** Systems software and application software. Operating systems; common functions. Windows 98. Windows NT. Windows 2000, Windows ME. Windows CE, Unix, Linux. Solaris. Mac OS. Enterprise operating systems like IBM OS/390 or OS/400. Consumer appliances OS. Application software. Propriety and off the shelf software. Comparison between them. Personal application software: word processing, spread sheet, presentation software, financial management software. Workgroup application software; lotus notes. Enterprise Resource Planning (ERP) software, supply chain management (SCM) software, customer relationship management (CRM) software. Knowledge Management (KM) Software.

3. **Programming Languages :** Machine language. Assembly language. Traditional 3rd generation languages: their characteristics and evolution. Object oriented languages Visual languages. AI languages. Assemblers, Compilers and Interpreters.

4. **Database Management Systems :** The file based approach and the database approach to data management. Differences between them. The advantages of the database approach. Data entities, attributes and relationships.
Data dictionary and the DBMS. Database model: hierarchic. network and relational DBMS. Tables and relationships between tables. Data records and fields: primary key, composite key, candidate key, candidate key and foreign key: Facilities available in a DBMS ODBC and OLEDB connectivity. Object relational and object oriented databases

5. **Networks :** Their uses. LAN. MAN. WAN. Peer to peer. client server, 3-tier n-tier networks. Network topologies. Network media; UTP. STP, coaxial, fiber optic, microwave, satellite and VSAT networks. Hubs, switches, routers, gateway and earth station equipment. Ethernet LAN's. Fast Ethernet. Network software. Network OS, NetWare, Windows 2000 server. Cellular transmission.

6. **Data Communication :** Over telephone lines, modems, fax modems, multiplexers, front end processors. ISDN. T1; T3 and ATM' digital communication. DSL technologies. Digital communication over a cable network.

7. **The Internet :** What is it ? What are its uses? TCP/IP. Internet addressing scheme. Domains and sub domains, URL. lpv6,DNS, E-mail, voice over IP. telnet. IRC. newsgroups. Intranets and Extranets.

8. **Introduction to Information Systems :** Data and information.. Characteristics and value of information. System and modeling concepts. What is an information system? Business information systems. Transaction processing and workflow systems. Management information systems; decision support systems, artificial Intelligence systems and virtual reality systems.

9. **Electronic Commerce :** Multi-stage module; Challenges of E-commerce. supply chain in an e-commerce system. B2B and B2C E-commerce. E-commerce applications in retail, wholesale, Manufacturing marketing, investments and finance. E-commerce technology infrastructure. Electronic payment systems. Threats to E-commerce. Strategies for successful E-commerce.

10. **Security Privacy and Ethical Issues :** in Information Systems and the Internet. Computer related mistakes Computer crime and viruses. Anti-virus software and Firewalls Legal framework for avoiding computer crime. Privacy issues. Health concerns. Ethical issues.

11. Review, Additional Case Studies

Practical Work
1. Windows
2. Word Processing software
3. Spreadsheet Software
4. Multi-media presentation
5. Internet

Project Work
Study a banking, FIFFI or NBFC site on the Internet and write a report on it. Comment about the content, look and feel, speed and ease of the use of the site. OR Develop a Website using Microsoft Front Page, Dream Weaver, or a similar tool.