

MCM5024 FUND MANAGEMENT IN COMMERCIAL BANK

Course Code	MCM5024	Semester	IV
Course Title	<i>FUND MANAGEMENT IN COMMERCIAL BANK</i>		
Credits	3	Type	NON COMMERCE

This course shall have 3 lecture hours, 2 practicals, 1 tutorial.

This is a Skill based, employability based course.

Course Objective

To enable the students to understand operational policies and practices of commercial bank management, describe the management of sources of funds and look at loans and lending policies and procedures.

Learning Objectives

- To examine various aspects of managing commercial banks.
- To revolve around management of capital funds in commercial banks.
- To provide students with a conceptual framework necessary for analyzing and comprehending the current problems of commercial banks.
- To explore the techniques involved with managing the cost of fund, capital, and liquidity for commercial banks.
- To analyse and evaluate the management of lending, investment and trading activities of commercial banks.
- To gain understanding about primary and secondary reserves of commercial banks.

Course Structure

UNIT I:

Nature and Scope of Fund Management – Allocation of funds – Basel III Norms - Management of capital Funds in Commercial Banks; Meaning and function of capital funds; Necessity of adequate capital funds; Standard to measure capital adequacy; Present position in India with respect to capital adequacy- Banking on gender equality – Indian banking policy from gender perspective- Banking on ethics- IFC's Banking on Sustainability – Sustainable Banking Network (SBN).

UNIT II:

Liquidity Management in Commercial Funds and Asset Liability Management Theories; Priorities in the employment of bank funds; Problems in resource allocation in India.

UNIT III:

Management of Reserves: Nature and purpose of primary reserves; Legal reserves-nature and function; Working reserve-nature and function; cash management in commercial banks. Secondary Reserves: Nature and function of secondary reserves; factors influencing secondary reserves; Estimation and management of secondary reserves.

UNIT IV:

Management of Bank Deposits: Relevance of marketing approach to deposit mobilization in banks; Concept of bank marketing; formulating marketing strategies for commercial banks. - Management of Bank Loans: Loan policy in commercial bank, evaluating loan application - credit information, credit analysis, credit decision; Priority sector lending policies of commercial banks in India. Management of Bank Investments: formulating investment policy; Volume and pattern of investment of commercial banks in India. - Structure and pattern of income and expenditure in commercial banks in India.

Practicals

- Measurement of capital adequacy ratio.
- Study on Liquidity Management in commercial banks.
- Study on Management of Bank Deposits and Bank Loans.

Skills

- Acquire knowledge on banking functions.
- Ability to measure a bank's financial performance and condition.
- Advanced knowledge on management of reserves, bank deposits and bank loans.
- Acquire understanding on loans and lending policies and procedures of commercial banks.

Learning/Course Outcomes

- Provides insight on basic concepts, principles, terminology and techniques for managing commercial banks.
- Get familiarized with the concept of bank marketing.
- Provides an in-depth review of credit analysis and loan documentation.
- Develop the ability to read and analyze bank financial statements.

Books for Reference:

1. Bharati V. Rathok, Indian Financial System, Pearson Edn,2006
2. Cates David, "Liquidity Lessons for the "90s" Bank Management April1990
3. G S Popli and S K Puri: Strategic Credit Management in Banks: PHI Learning.
4. H R Machiraju: Modern Commercial Banking: New Age International.
5. Howard D Crosse and George H Hempel: Management Policies for Commercial

Banks:Prentice-Hall.

6. Jadhav, Narendra: Challenges to Indian Banking ed. Macmillan, New Delhi
7. Joel, Bessis; Risk Management in Banking John Wiley.
8. Matten Chris, Managing Bank Capital, New York, John Wiley & Sons1996
9. Neelam C. Gulati 'Principle of Banking Management" Excel Books, New Delhi 2010
10. P. Subba Rao," Principles of Practices of Bank Management, Himalaya Publishing House,Bombay1988.
11. S. Singh,Yogesh Singh, Risk Management in Banks, Excel Books,2008
12. Sinkey, Joseph F, Jr: Commercial Banks Financial Management, Prentice Hall Delhi.
13. Smith, T.R Fire Insurance Theory & Practice, Stone &Cox
14. Turner, H.S. Principles of Marine Insurance, Store and Cox