

BANKING & INSURANCE

+2 1st Year Commerce 4th ELECTIVE

(Paper -I)

To Provide students an understanding of the Concept, functions, types and role of a commercial bank with their credit creation policy;

To help the students in learning functions of commercial bank and methods of credit control;

To enable students to learn the concept and types of innovative banking;

To make the students able to know the concept, functions, types and principles of Insurance;

To help students understand the concept, importance, process of effecting a life insurance policy along with its types;

To enable the students to learn the concepts of various types of insurance like Marine, Fidelity, Crops, Motor and Credit Insurance.

Course Inputs:

Unit-I: Commercial Banking :

Meaning and Functions of Commercial Banks, Types of Commercial Banks, Income Statement and Balance Sheet of a Commercial Bank, Credit Creation, Portfolio Management and Nationalization of Commercial Banks, Role of Commercial Banks in a Developing Economy.

Unit-II: Central Banking :

Central Bank - Functions, Methods of Credit Control, Quantitative Control, Bank Rate, Open Market Operations, Cash Reserve ratio and Selective control. Innovative Banking - Merchant banking, Consortium Approach, Credit Card Facilities, On-Line Banking, Telephone Banking, Internet Banking, ATM cum Debit Card, E-Banking and Social Responsibilities of Banks.

Unit-III: Introduction to Insurance:

Risk - Its classification and how to deal with it, Insurance- Meaning, Definition and Mechanism of Insurance, Functions of Insurance, Basic Concepts, Double Insurance, Re-insurance, Co-insurance, Insurance Market, Insurance Contract, Contingent Contract, Wagering Contract, Fundamental Principles of Insurance Contract, Insurance Act and Role of IRDA.

Unit-IV: Life Insurance & Other Insurances:

Life Insurance - Element of protection and investment, Importance of Life Insurance, Procedure of effecting a Life policy, premium computation including Mortality table, various Policy conditions, Settlement of Claims, Types of life Insurance policies- On the basis of duration and number of life covered, Concepts of Fire Insurance, Marine Insurance, Fidelity Insurance, Crops Insurance, Motor Insurance and Credit Insurance.