

DEPARTMENT OF COMMERCE  
ALIGARH MUSLIM UNIVERSITY, ALIGARH  
**PRINCIPLES AND PRACTICES OF INSURANCE BUSINESS**  
**(PDBI-1001)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**Ist Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Unit - I : History and Concept of Insurance:** Basic principles; Role and importance of Insurance in Society; Concept of Micro Insurance; Types of Insurance; Insurance Documents and Policy Terms & Conditions; Insurance Agents: Role, qualifications, functions and important of – Insurance Brokers; Direct/Composite/Reinsurance Brokers in Insurance Market. Selling Process; Customer Services and Consumerism in Insurance; Documentations and Policy conditions.

**Unit-II : Life Insurance:** History and Importance; Human Life Value (HLV); Risks of Individuals in Life Insurance; Financial Planning and Individual Life Cycle; Riders in Life Insurance Products; Life Insurance Products: Traditional and Non Traditional; Components in premium determinations; Underwriting: Medical and Non-Medical; Types of Claims.

**Health Insurance:** Determinants of Health; Factors affecting the health system in India; Health Insurance Intermediaries; Underwriting: Medical and Non-Medical; Health Insurance Products; Stakeholders in Claim Process; Challenges in Health Insurance; Health Insurance to Poorer Section.

**Unit-III : General and Commercial Insurance:** History and significance; Various Distribution channels; Claim settlements and Underwriting; **Types of General Insurance:** Personal and Retail Insurance, Shopkeeper Insurance and Motor Insurance; Types of Commercial Insurance: Property/Fire Insurance; Marine Insurance; Liability Insurance; Crime Insurance: Fidelity Guarantee Insurance, Money Insurance, and Burglary Insurance.

**Unit-IV : Concept and Importance of Reinsurance:** Tax benefits under Life Insurance Policies; Ethical Behavior; Redressal of Policyholder Grievances; Married Women's Property Act Policy; Anti-Money laundering Guidelines of IRDA. Role of Ombudsman Scheme; IRDA Role in Insurance Sector; Relevant Provisions and Applicability of Consumer Protection Act 1986; IRDA guidelines related to detection and monitoring of Insurance Frauds.

**Suggested Readings:**

1. Principles of Insurance (IC-01), Insurance Institute of India, Mumbai.
2. Practice of Life Insurance (IC-02), Insurance Institute of India, Mumbai
3. Practice of General Insurance (IC-11), Insurance Institute of India, Mumbai
4. Corporate Agent (IC-38), Insurance Institute of India, Mumbai
5. ICFAI Course Book – Life Insurance Vol. I, II, III (LBRARO)

**Revised – 01.08.2018**

OF COMMERCE  
ALIGARH MUSLIM UNIVERSITY, ALIGARH  
**ACCOUNTING FOR BANKING & INSURANCE**  
**(PDBI -1002)**

**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**Ist Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Unit - I : FINANCIAL ACCOUNTING:**

Meaning Importance and Role of Financial Accounting, Accounting Principles, Concepts & Convention, Recording and Posting of Transactions. Preparation of Annual Accounts of General Insurance Companies.

**Unit - II : BANK BOOK KEEPING:**

Special features of Bank, Accounting Slip System, Money at call & Short Notice Rebate on bills discounted, Provision & Contingencies, schedule of bank advances including N.P.A.

**INSURANCE CLAIM:** Loss of stock – Average clause, Salvage, Memorandum Trading A/c, Consequential Loss Policy.

**Unit - III : ANNUAL ACCOUNTS OF BANKS:**

Preparation of Final Accounts of Banks as per the provisions of Banking Regulation Act 1949 (New Provisions of 1992). Profit & Loss A/c and Balancesheet.

**Unit - IV : ACCOUNTS OF INSURANCE COMPANIES:**

Types of Books - Statutory Books and Subsidiary Books, Features of Life Insurance Companies Accounts: Revenue A/c; Surrender, Claims, reinsurance Annuity, Bonus.

Annual Accounts of Life Insurance Companies, Schedules of Revenue A/c & Balancesheet according to IRDA

**Suggested Readings:**

1. Agarwal, A.N. : Higher Science of Accountancy (Chapter of Bank Accounts)
2. Shukla & Grewal : Advanced Accounts
3. Vasvani, T. : The Banker & the Balance Sheet
4. Hingo Rani : Management Accounting
5. Man Mohan & Goyal : Principles of Management Accounting
6. Baig, Nafees : Problems of Managerial Accounting
7. Tondon, B.N. : Practice Auditing
8. Ahmad, N. : Simplified Approach to Financial Accounting

**Revised – 01.08.2018**

DEPARTMENT OF COMMERCE  
ALIGARH MUSLIM UNIVERSITY, ALIGARH

# QUANTITATIVE METHODS

**(PDBI -1003)**

P.G. Diploma in Banking Risk & Insurance Management (BRIM)  
**Ist Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Course Objective:** This paper intends to familiarize the students with different quantitative methods that help the organizations in decision making.

## **Course Contents:**

**UNIT - I     **Statistics for Management:**** Introduction to Statistics, different laws in statistics, Measures of Central Tendency: Arithmetic Mean, Weighted Arithmetic Mean, Median, Mode, Measures of Dispersion: Concept of variation, purpose of measuring variation, Standard deviation, Mean Deviation, and Standard error. **Correlation:** Meaning, Types of correlation, and its Utility, Karl Pearson Coefficient Method, Rank Correlation Method.

**UNIT - II     **Regression Analysis:**** Concept and significance, Types: Simple Regression line and Regression equations, Mathematical properties. **Time Series Analysis:** Relevance, causes of variation in time series data and Method of least square, Parabola curve.

**UNIT - III    **Interpolation and Extrapolation:**** Introduction, importance and problems of Interpolating and extrapolating the data. **Methods:** Graphic Method, Lagrange Method, Newton's and Parabolic Curve method.

**UNIT - IV    **Probability Theory:**** Probability Concept and utility in decision-making, trial, event, sample space, Priori probability, Multiplication and Addition Theorem. **Probability Distributions:** Meaning and properties of Binomial, Poisson, and Normal distribution.

## **References:**

1. N.D. Vohra, Quantitative Techniques in Management, the McGraw Hill Publications.
2. Gupta & Khanna, Quantitative Techniques for Decision Making, Prentice Hall of India.
3. D.C. Sancheti and V.K. Kapoor, Statistics: Theory, Methods & Application, S. Chand & Sons
4. C.R. Rao and P.R. Krishnaiah, Handbook of Statistics, kk
5. Levin, Rubin & Stingson, Quantitative Approaches to Management, McGraw Hill Publications.
6. Jagdish K. Patel, Handbook of the Normal Distribution, M. Dekker

**REVISED - 01.08.2018**

**INDIAN FINANCIAL SYSTEM**

**(PDBI -1004)**

**P.G. Diploma in Banking Risk & Insurance Management (BRIM)  
Ist Semester**

**Max. Marks -100  
Sessional - 30 Marks  
Examination - 70 Marks**

**Unit - I : Introduction of Indian Financial System:** Financial System – Meaning & Feature, Financial System & Economic Development, Categories of Financial Intermediaries and Financial Assets. Financial Markets: Nature and Classification of Financial Markets; Money Markets, Primary Markets, Secondary Markets, Capital Markets.

**Unit - II : Indian Banking System** - Functioning and Salient Feature of Commercial Bank, Growth of Public Sector Banks, Private Sector Banks, Foreign Banks, Development Banks, RRBS, Importance of Commercial Banks in Indian Economy. Regulation of Commercial Banks in India, Universal Banking in India.

**Unit - III : Central Bank:** Concept, Role in Indian Banking System and their Management, Money market in India – Structures & Organization, Money Market Instruments: Call Money Treasury bills certificate of deposits, commercial bills etc. Review of India's Monetary Policy, New Monetary Policy Committee: Need, Structure and Role, Review of Credit Policy of India.

**Unit - IV : Mutual Funds** –Concept, Types, Function and Development of Mutual Fund industry in India, Performance of Mutual Fund, SEBI functions & its provision for Mutual funds, Meaning and scope of hedge funds, Private Equity (P/E) Funds and Exchange Traded Funds (ETF). Non Banking Financial Institutions (NBFCs).

**Insurance organizations:** Insurance Companies – Life and General, Privatization in Insurance Sector, IRDA. Concept and significance of Merchant Banks and Investment Banks in India.

**Suggested Readings:**

1. H.R. Machiraju, Indian Financial Systems (1989), Vikas Publishing House Pvt. Ltd.
2. M. Y. Khan, Indian Financial System, Tata McGraw-Hill (1996)
3. L.M. Bhole, Financial Institution and Markets, Tata McGraw-Hill (1993)
4. Currency and Finance-RBI-Periodical Publications
5. S. Krishna Murthi, Mutual Funds in India, (1996) ICWAI, Calcutta publication.

**BUSINESS ENVIRONMENT**

**(PDBI -1005)**

**P.G. Diploma in Banking Risk & Insurance Management (BRIM)  
Ist Semester**

**Max. Marks -100  
Sessional - 30 Marks  
Examination - 70 Marks**

**Objective**

This course develops ability to understand and scan business environment analyse opportunities and take decisions under uncertainty.

**Course inputs**

**UNIT - I Theoretical Framework of Business Environment:** Concept and significance, Elements of environment, Income, Social Security, Investment, Poverty, Regional Imbalances. Techniques of environmental scanning and monitoring: SWOT, PESTLE, QUICK, Industry Analysis and Competitor Analysis Economic Trends;

**UNIT - II Economic Environment of Business:** Significance and elements of economic environment; Economic planning in India; Government Policies - Industrial policy, fiscal policy, monetary policy, EXIM policy; Development banks and relevance to Indian business; Economic reforms, liberalisation (LPG) and structural adjustment programmes.

**UNIT - III Political and Legal Environment of Business:** Components of political environment; Changing dimensions of legal environment in India; FEMA Consumer Protection Act, Role of Regulatory Institutions in Indian Financial System – RBI and SEBI.

**UNIT - IV International Environment:** Multinational corporations; Foreign collaborations and Indian business; Economic Union: EU, ASEAN, NAFTA, BRICS, SAARC etc; Foreign trade policies, International Economic Policies; International Business Strategy: Development Market Economies, Five emerging market Economies.

**References :**

1. Adhikary, M: Economic Environment of Business, Sultan Chand & Sons, New Delhi.
2. Ahluwalia, I.J: Industrial Growth in India, Oxford University Press, Delhi.
3. Alagh, Yoginder K: Indian Development Planning and Policy, Vikas Pub, N. Delhi.
4. Aswathappa, K: Legal Environment of Business, Himalaya Publication, Delhi.
5. Chakravarty, S: Development Planning, Oxford University Press, Delhi.
6. Ghosh, Biswanath: Economic Environment of Business, Vikas Pub, New Delhi.
7. Govt. of India: Economic Survey, various issues.
8. Raj Agrawal and Parag Diwan, Business Environment; Excel Books, New Delhi.
9. Ramaswamy, V.S. and Nama Kumari: Strategic Planning for Corporate Success, Macmillan, New Delhi.
10. Sengupta, N.K: Government and Business in India, Vikas Publication, New Delhi.
11. Sharan, Vyuptakesh: International Business Concepts, Environment and Strategy, Pearson.

DEPARTMENT OF COMMERCE  
ALIGARH MUSLIM UNIVERSITY, ALIGARH  
**MANAGEMENT OF BANKING & INSURANCE INSTITUTIONS**  
**(OPTIONAL) (PDBI -1006)**

**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**Ist Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Unit - I      Funds Management in Commercial Banks**

- Reserve Bank of India: Functions. RBI's monetary policy since independence
- Asset Liability Management (ALM) of Commercial Bank: Concept and Significance of ALM.
- Management of Loans and Advances, Management of Liquidity, Management of Primary and Secondary Reserves, Management of Capital Funds.

**Unit - II      Risk Management in Banking Business:**

- Risk Identification in Banking Business, Type of Risk, off Balance Sheet Exposure, VaR (Value at Risk)
- Risk Regulation – Necessity and Goals, Basel Accord I, II and III.
- Treasury Management: Concept, Role, Organisation, Products, Supervision and Control.

**Unit - III      Insurance Sector Reforms in India and Insurance Risk Management:**

- Privatisation of Insurance Sector in India: Reasons of Privatisation, Scope of Privatisation, Malothra Committee Recommendations, Foreign Investment in Insurance Sector.
- Regulatory Framework of Insurance in India: Insurance Law in India, Grievance redressal guidelines of IRDA.
- Risk Management: Risk management in insurance organizations, Analyse the concepts of risk appetite and its uses in the insurance sector, scope of operational risk within an insurance organization.

- Unit - IV**      \* Life Insurance Policy Conditions: Documents required, Medical Examination, Nomination, Assignment, Surrender Value, Revival, Alteration, Riders of Life and health insurance.
- Group Insurance: Nature & Scope, Features, Advantage, Eligible Groups, Different Group Insurance Schemes, Pradhanmantri Bima Yojna.
  - Rural Insurance: Needs, Regulation, Types of policies, Government Schemes.
  - Social Insurance: Concept, Nature, Insurance Schemes for Economically Weaker Section (EWS).

**Suggested Readings:**

1. Black, Jr. Kenneth and Harold Skipper Jr. (2000), Life and Health Insurance (13th Edition), Prentice-Hall, Inc., Englewood Cliffs, N.J.
2. Trieschmann, James S., Sandra G. Gustavson, and Robert E. Hoyt (2001), Risk Management and Insurance, (11th Edition), South-western college Publishing, Cincinnati, Ohio.
3. Rejda, George. E. (2001), Principles of Risk Management and Insurance (7th Edition), Addison Wesley Longman, Inc., Boston, MS.
4. Alka Mittal & SL Gupta, Principles of Insurance and Risk Management, Sultan Chand and Sons, New Delhi.
5. RM Srivastava and Divya Nigam, Management of Indian Financial Institutions, Himalaya Publishing House.
6. Indian Institute of Banking & Finance, Bank Financial Management, Macmillan Publication.

**DEPARTMENT OF COMMERCE**  
**ALIGARH MUSLIM UNIVERSITY, ALIGARH**  
**INTERNATIONAL FINANCE**  
**(OPTIONAL) (PDBI -1007)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**Ist Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Objective**

This course helps students understand the conceptual framework of international finance and use thereof in making financial decisions.

**COURSE INPUTS**

- UNIT - I    Introduction:** Meaning and importance of international finance. IMF and World Bank, International monetary system, International financial system, International financial markets and instruments, Regulatory framework for financial services.
- Balance of payments, BOP trends in major countries, Causes and impact of deficit and surpluses.
- Unit - II    International Financial Markets and Instruments:** New financial products and services, Innovative financial instruments, Capital and money markets; International Financial Instruments : GDRs, IDRs, Euro bonds, Floating rate instruments, Venture capital: Concept and meaning, Methods.
- UNIT - III    Exchange Rate Determination and Forecasting:** Foreign exchange market and its functions, Foreign exchange market-cash and spot markets, Foreign exchange rate, Types of exchange rate, Factors influencing exchange rate, Currency futures, Exchange rate arrangement in India.
- UNIT - IV    Foreign Exchange Risk and Management:** Management of risk in financial services, Managing and measuring economic exposures, Management of interest rate exposures, Leading and lagging, Pricing policy, Asset and liability management techniques.

**References**

1. Apte, P.G: International Financial Management, Tata McGraw Hill, New Delhi
2. Buckley, Adrian: Multinational Finance, Prentice Hall, New Delhi.
3. Bhsalla, V.K. Management of Financial Services. Anmol, New Delhi.
4. Gordan, E and K. Natrajan Emerging Scenario of Financial, Himalaya Publishing House.
5. Henning, C.N., W Piggot and W.H Scott: International Financial Management, McGraw Hill, International Edition.
6. Levi, Maurice D: International Finance, McGraw- Hill, International Edition.
7. O Connor DJ, Bueso AT: International Dimensions of Financial Management; Macmillan, New Delhi.
8. Shaprio, Alan.C: Multinational Financial Management, Prentice Hall, New Delhi.
9. Yadav, SurendraS., P.K Jain and Max Peyrard: Foreign Exchange Markets, Macmillan, New Delhi.

**REVISED – 01.08.2018**

**RISK MANAGEMENT IN BANK & INSURANCE**  
**(PDBI- 2001)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**IInd Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

- Unit - I** : Introduction to Risk. Meaning of Risk. Degrees of Risk. Types of Risk: Static and Dynamic Risks, Financial and Non-financial risks, Pure and Speculative Risks. Risk Management: Characteristics of Risk Management, Significance of Risk Management, Principles of Risk Management, Objectives of Risk Management, The Process of Risk Management, Methods of Risk Management. Major risks in banking business.
- Unit - II** : Risk and uncertainty Determination. Methods of Risk determination; Risk Adjusted Discounted Rate, Certainty Equivalent Method, Sensitivity Techniques, Probability Technique, Standard Deviation Method, Coefficient of Variation Method, Decision Tree Analysis.
- Unit - III** : Insurance Defined. Classifications of Insurance. How Insurance Companies Operate. Production of Insurance. What Exposures are Insurable? The Role and Importance of Competition in Insurance Markets. Legal Aspects of Insurance: Legal Principles Relating to Insurance. Special Characteristics of Insurance Contracts.
- Unit - IV** : Risk Financing: Risk Financing Options, Decision Factors. Property Loss Exposure: Risk Assessment. Types of Property and of Property Losses. Causes of Property Loss. Property Valuation. Property Risk Control. Property Risk Financing.

**Suggested Readings:**

1. Bernstein, Peter L., (1996), Against the Gods, John Wiley and Sons, New York.
2. Skipper Jr. Harold D., and W.R. Feldhaus (Forthcoming) Perspectives on Risk and Insurance, Irwin/McGraw, Hill, Boston.
3. Bhattacharya, Hrishikas Working Capital Management; Strategies and Techniques, Prentice Hall, New Delhi.
4. Brenley, Richard A. and Steward C. Myers Corporate Finance; Mcgraw Hill, Int. Ed. New York.
5. Hampton, John Financial Decision Making; Prentice-Hall, Delhi.
6. Van Horne, J.C. and J.M. Wachowicz Jr. Fundamentals of Financial Management; Prentice-Hall, Delhi.
7. Khan MY, Jain PK Financial Management; Tata Mcgraw Hill, New Delhi.



DEPARTMENT OF COMMERCE  
ALIGARH MUSLIM UNIVERSITY, ALIGARH

**INFORMATION SYSTEM AND ANALYSIS (PDBI- 2002)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**II<sup>nd</sup> Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**OBJECTIVE**

**The objectives of this course are to develop understanding regarding Information System along with enhancing the data analysis skills of the students.**

- Unit - I** Data and Information, Information Types, Information Characteristics, Concept of System, System Component, Information System, Components of Information Systems (IS), Types of IS, Roll of IS In Global Business, Competitive advantages with IS, Transaction Processing System, Decision Support System, Management Information System (MIS) and Executive Support System, System Development Life Cycle (SDLC).
- Unit-II** Components of Information Systems; Software, Hardware, Telecommunication Network, Data Communication, Internet, Internet Services and Applications, Types of Network (LAN, MAN, WAN), Network Topology, Transmission Modes, Guided and Unguided Media, TCP/IP Protocol Suite, Electronic Data Interchange (EDI) and EDI Applications in Banking.
- Unit-III** E-Banking System, E- Banking Risk and their types, Risk Management, Information Security, Security Threats & Attacks, Security Measures for E-Banking Risks. Digital Payment Methods, Digital Currency and its Types. Data Hierarchy, Data Base Concept, Data Base Management System, Advantages of DBMS, Overview RDBMS, database keys, Application of DBMS in Banking, Structured Query Language (SQL).
- Unit-IV** Hands On Spread Sheet program, Sheet formatting, Fill Handle, Functions and Formulas (IF & SUMIF, COUNTIF, etc.), Financial Functions, Charts, Sorting and Filtering, What if Analysis, , Preparation of Employee Payroll Statement and Invoice, Use of Spreadsheet in Banking Applications.

**Suggested Readings:**

1. Michal E. Whitman and Herbert J. Mattord, Principles and Practice of Information Security, CENGAGE Learning 6<sup>th</sup> India Edition, 2011.
2. Joseph, P.T: E-Commerce, A Managerial Perspective.
3. V: Rajaraman, Analysis and Design of Information Systems, Prentice Hall, New Delhi, 3<sup>rd</sup> Edition 2014.
4. Abraham Silberschatz, S. Sudarshan, Henry F. Korth, Database System Concepts, MacGraw Hill, fourth Edition, 2002.
5. Behrouz A. Forouzan, Data Communications and Networking, Tata McGraw Hill, 4<sup>th</sup> Edition, 2006.

**Revised date – 23.01.2019**

**MARKETING OF FINANCIAL SERVICES (PDBI- 2003)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**IInd Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

- Unit – I** Concept of Marketing and Financial Services; Classification of Service Industry; Characteristics of Service Industry; Difference between Service Marketing & Goods Marketing; Fund Based & fee Based Services; Strategic Marketing; Strategic Business Units;
- Unit – II** The concept of Bank and Insurance Marketing; The behaviour of users – customer psychology; Market Segmentation; Formulation of Marketing Mix for banking & insurance services; Bank & Insurance Marketing in Indian Environment.; Role of & 7Ps of Marketing in Bank & Insurance Sector; Case Studies.
- Unit – III** Marketing Environment; Characteristics of the Marketing Environment, Technological, Social, Governmental and Economic Environment; Customer Loyalty; Marketing Research Process; Market Positioning; The Product Life Cycle.
- Unit – IV** Customer Retention through relationship marketing; Target Marketing; Undifferentiated & Differentiated Marketing; Molecular Model & Servuction Model; Marketing Planning & its process; Service Marketing Triangles; Service Quality – The GAP model for service quality;

**Suggested Readings:**

1. Cravens, Hills & Woodruff, Marketing Decision Making, Concepts and Strategy (1980), Richard D. Irwin, Inc. Homewood, Illinois 60430 USA.
2. Christopher H. Lovelock, Services Marketing 1984, Prentice Hall, Inc. Eaglewood cliffs, NJ 07632, USA
3. Philip Kotler, Marketing Management: Analysis, Planning, Implementation and Control (1993), Prentice Hall of India Pvt. Ltd., New Delhi 110 001.
4. Philip Kotler, Kotler on Marketing (1999), The Free Press, 1230 The Avenue of Americas, NY 10020.
5. Leonard L. Beny and A. Parasuraman, Marketing Services. (1991), The Free Press, A Division of Macmillan, Inc., 866 Third Avenue, NY 10022.
6. Thomas A Stewart, Intellectual Capital (198), 1163, E. Ogden Avenue, Suit 705-229, Naperville, IL 60563.8535 (USA).

**BANKING LAW AND PRACTICE (PDBI- 2004)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**IInd Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Unit-I : BANKING LEGISLATION :** Introduction, evaluation of Banking Law in India  
Banking Regulation Act, 1949: Scope of the Act: Definition of Banking. Licensing of  
Banking Companies, Maintenance of Assets and Liabilities, Bank Balance Sheet,  
RBI Act, 1934; Reserve Bank's Powers of Inspection and Directions. Restriction  
on Loans and Advances, Collection and Furnishing of Credit Information Scheme  
of Management for Nationalized Banks.

**Unit-III : LAW RELATING TO NEGOTIABLE INSTRUMENTS:**  
The Negotiable Instruments Act, 1881, Provisions relating to Bills of Exchange,  
Promissory Notes and Cheques, their Acceptance and Endorsements. Holder and  
holder in-due-course. Circumstances under which the banker may/must refuse to  
pay the cheques of customers, statutory protection to paying banker, position of  
collecting bankers. Rules regarding the instruments obtained by fraud,  
misrepresentation, forgery and illegal means.

**Unit-IV : ORGANISATION :**  
Banks-Their organization and performance appraisal. Organizational structure of  
Banks Formulation of Policies & their integration. Policies of Nationalized Banks  
or Mobilization of Deposits, Advances of Loans and Credit expansion.

**Unit-V : ADMINISTRATION :**  
Principles of Management: Their application to Bank Management. Delegation of  
Authority - Centralization V/s Decentralization. Board of Directors: Concept of  
balance Board- Their Advantages to Banks

**Suggested Readings:**

1. Brech, E.F.L. : The Principles & Practice of Management
2. Drucker, P.F. : The Practice of Management
3. Khertamwala, J.S. : The Negotiable Instruments Law
4. Tannan, M.L. : Banking Law & Practice in Industries
5. Davar, S.R. : Law & Practice of Banking
6. Sherlekar : Business Administration & Management.

**Journals**

1. Banker (India)
2. Merchantile Law Reporte
3. Company Cases
4. Quarterly Journal of Management Development
5. Management Today
6. Harvard Review

**FUNDAMENTALS OF ACTUARIAL SCIENCE (PDBI- 2005)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**IInd Semester**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

- Unit - I** : Introduction to Statistics Mean-Variance Analysis. Computation of Mean and Variance. Variance as a Measure of Risk. Discrete Term. Structure Models. Modeling Stochastic Term Structure. Interest - Sensitive Cash Flows. Valuation of Interest. Sensitive Cash Flows
- Unit-II** : Probability Distributions. Various Distributions like Normal, Binomial and Poisson. Essential Properties of Each. Probability Distributions used in Risk Management. Rationale of their use. Estimation, Method of Estimation. Use of Estimates. Monte Carlo Simulation. Use of Monte Carlo Method.
- Unit-III** : .Regression Theory. Computation of Partial and Multiple Linear Regressions. Liability Cash Flows. Modeling Liability Cash Flows. Measuring the Effectiveness of Risk Management. Products with Basic Risk Credit Risk Metrics.
- Unit-IV** : Mortality Tables. Probabilities of Survival and Death. Computation of Mortality Rates. Preparation of Mortality Tables. Mortality Tables for Insurance and for Annuities. Valuation of Life Insurance Risks. Principles underlying it. Determination of Life Reserves. Meaning. Methods of Calculation of Life Reserve. Terminal, Initial and Mean Reserves. Actuarial Analysis of Pension Plans.

**Suggested Readings:**

1. Hossack, I.B., J.H. Pollard and B. Zehnawirth (1999), Introductory Statistics with Applications in General Insurance, COmbridge University Press, Cambridge, England.
2. Babbel, David F. and Graig B. Merrill (1996), Valuation of Interest Sensitive Financial Instruments, Society of Actuaries, Martingale.
3. Morgan, J.P. (1997), Introduction to Credit Metrics, J.P. Morgan, New York.
4. Bell, David E. and Authure Shleifer Jr. (1995), Risk Management Course Technology Inc., Cambridge, MA.

**Revised date – 23.01.2019**

**ASSETS MANAGEMENT (PDBI- 2006)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**IInd Semester (OPTIONAL)**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

**Objective**

This course exposes the students to the various concepts of investment management and provides an in-depth study of various issues there under.

**Course Inputs**

**UNIT - I Introduction:** Investment, Features of Investment Programme, Finance Vs Investment, Real & Financial Assets, Factors of Sound Investment, Investment Decision process - Return and Risk – Measurement of return & risk.

**UNIT - II Types of Investments:** Financial investments -securities and derivatives, deposits, tax- sheltered investments; Non-financial investment -real estate, gold and other types and their characteristics; Sources of financial information.

**UNIT - III Fundamental Analysis:** Economic analysis, industry analysis and company analysis.  
**Systematic Process of Asset Management in an industry:** Development of Assets; Operation, Upgradation and disposing of assets in cost effective manner including risk, cost performance.

**UNIT - IV Fixed Income Securities:** Bonds, debentures, preference shares, and convertible securities.  
**Variable Income Securities:** Equity shares – Valuation of equity, Shares based on earnings.

**References**

1. Agarwala, K.N. and Deeksha Agarwala: Bulls, Bears and The Mouse, Macmillan, New Delhi.
2. Cheney, J. and E. Muses: Fundamentals of Investments, Paul, New York.
3. Clark, James Fransis: Investment- Analysis and Management, McGraw Hill , International Edition.
4. Dalton, John M: How the Stock Markets Works, Prentice Hall, Delhi.
5. Domodran: Investment Valuation, John Wiley, New York”
6. Fabozzi, Frank J: Investment Management, Prentice Hall, International Edition
6. Fischer, Donald, E. and Ronald, J. Jordan: Security Analysis and portfolio Management, Prentice Hall, Delhi.

**PRINCIPLES OF PENSION PLANNING (PDBI-2007)**  
**P.G. Diploma in Banking Risk & Insurance Management (BRIM)**  
**IInd Semester (OPTIONAL)**

**Max. Marks -100**  
**Sessional - 30 Marks**  
**Examination - 70 Marks**

- Unit – I**      **Introduction:** Concept of Pension and basic features of a pension plan, difference between pension and family pension. Development of Pension Plan, factors affecting the choice of the pension plan. Type of plans: Defined Benefit plan and Defined Contribution plan and their basic features.
- Unit – II**      **Retirement Planning:** Concept and need of retirement plans. Economic problems of old age, Social issues of ageing and the provision for increasing longevity, standard of living after retirement. Retirement benefits; employees provident fund, gratuity and leave encashments.
- Unit – III**      **Regulation of Pension:** Regulation of pension in India under old and new pension schemes, Need for pension reform in India, New pension system of India and its implementation, Basic features of the New Pension Scheme,
- Unit – IV**      **Tax Treatment of Pension and Compensations:** Taxation of Pension, commutation of pension and tax thereon, Deduction on contribution to employees pension fund under EPF Act and certain pension fund u/s 80C, Deduction in respect of contribution to certain pension funds u/s 80CCC and Deduction in respect of contribution to pension schemes of central government u/s 80CCD, Tax treatment of retrenchment compensation and compensation on Voluntary Retirement Scheme.

**Suggested Readings:**

1. Gupta N.D., (2006) Pension Plans, The Institute of Chartered Accountant of India, New Delhi.
2. Ahuja, Giris (2008). A Systematic Approach to Income Tax (17th Edition), Bharat LawNew Delhi.
3. Rajan, S.I. (2008), Social Security for the elderly, Routledge, New Delhi.
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**Revised date – 08.02.2019**

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