

**COMMERCIAL AND RETAIL BANKING**  
**MBA-MS BATCH: 2016-18 | TRIMESTER: IV**  
AMRITA SCHOOL OF BUSINESS  
AMRITA VISHWA VIDYAPEETHAM (UNIVERSITY)

**INSTRUCTOR AND CONTACT INFORMATION**

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**COURSE OBJECTIVE**

- The course on Corporate and Retail Banking aims at giving participants an understanding of the various aspects of Banking operations and Bank Management
- These include lending activities, deposit generation, cash management, treasury operations and Trade Financing activities

**LEARNING OUTCOMES**

Upon completion of this course, students will be able to complete the following key tasks:  
Understand the structure, functioning and operations of Indian commercial Banks

Recall Yield curve and theory of interest rates and understand how banks decide the interest rate structure for the bank's loans and deposits

Understand and Analyze and evaluate corporate loans

Understand and structure a loan portfolio for corporate clients

Understand the treasury operations of a bank analyze a day's activity of the treasury operations

Understand and Analyze and evaluate Retail loan products

Understand and apply risk management principles in a bank

**COURSE DESCRIPTION**

The course on commercial and Retail banking will give a detailed description and analysis of the banking system in India and overseas. It gives a in-depth study of the key functions of deposit taking, lending and treasury functions of the bank in India. It also draws the landscape of the banking system with reference to the market participants, non-banking financial institutions and the regulator. Finally banks globally are regulated by stringent norms imposed by Bank of International Settlements (BIS) collectively known as the BASEL norms. We will cover the set of BASEL 3 norms which will be implemented by banks by 2013

### REQUIRED COURSE MATERIALS AND READINGS

1. Text Book:

Management of Banking and Financial Services: - Padma Latha Suresh & Justin Paul

2. Reference Books M N Gopinath

Reference Material

1. BASEL 3 norms
2. Session based reading material

### EVALUATION CRITERIA

3. In-class contribution. Adequate preparation for class, regular attendance, full participation and involvement in all class sessions. There are two individual short exercises, described in the separate file of course outline which should be turned in at the end of the class session for which they are assigned.
4. Lateness and absences will be duly noted and will negatively impact your participation grade.

COMPONENTS AND WEIGHTS:

S.NO.	COMPONENTS	WEIGHTAGE (%)
1	Component 1 - Presentation	15%
2	Component 2 - Surprise Test	15%
3	Component 3 - Assignment	15%
4	Component 4 - Viva	15%
5	Component 5 - End Term Examination	40%
	Total	100%

### ACADEMIC DISHONESTY

Academic dishonesty is any type of cheating that occurs in relation to a formal academic exercise. It can include Plagiarism means the adoption or reproduction of original creations of another author (person, collective, organization, community or other type of author, including anonymous authors) without due acknowledgment (reference and citation). In accordance with the University Code of Academic Misconduct, plagiarism in any form will result in an "F" for this course.

**DETAILS OF SESSION: TENTATIVE COURSE SCHEDULE**

WEEK/ DATE	SESSION NO.	TOPICS TO BE COVERED	ASSIGNED READING, CASE DISCUSSION, ASSIGNMENTS
Week 1	Session 1& 2 Banking industry Overview	<ul style="list-style-type: none"> <li>- The role of financial intermediation (Role of aggregation and liquidity generation)</li> <li>- Role of money</li> <li>- The organization of Indian banking system in India - an overview (Different types of banks, Micro financing institutions, Regulator)</li> </ul>	Discussion points: - Analysis of the financial intermediation process in India
Week 2	Session 3, 4 : Money Markets and Theory of Interest Rates	<ul style="list-style-type: none"> <li>- Theory of interest rates</li> <li>- Pricing strategies in a bank</li> <li>- Pricing a deposit</li> <li>- Pricing a loan</li> </ul>	Discussion of various types of interest rates
Week 3	Session 5, 6: Role of the Central bank	<ul style="list-style-type: none"> <li>- <b>Role of the Central Bank as a banker to the banks</b></li> <li>- <b>Formulation of monetary policy</b></li> <li>- <b>Implementation of monetary policy -</b></li> </ul>	<ul style="list-style-type: none"> <li>- Discussion of the latest monetary policy of RBI</li> <li>- Discussion of the latest monetary</li> </ul>
Week 4	Session 7, 8 Financial analysis of a bank's financial statements	<ul style="list-style-type: none"> <li>- Understanding a bank's financial statements</li> <li>- Evaluating a bank's financial performance</li> <li>- Understanding key matrices of bank's performance</li> </ul>	- FSA of ICICI Bank's annual results for YE 31.03.2015
Week 5	Session 9 - 10 Asset Liability management ;	<ul style="list-style-type: none"> <li>- What is Asset liability management</li> <li>- How does the bank manage the ALM function.</li> <li>Calculation of MCLR</li> </ul>	- Class assignments will be distributed , to be delivered on last two sessions
Week 6	Session 11-13 Bank's Investment Function, Liquidity position & Reserve Management Strategies	<ul style="list-style-type: none"> <li>- Understanding the functioning of the treasury desk</li> <li>- Understanding various money market products</li> <li>- What is SLR and how do banks maintain SLR investment portfolio</li> </ul>	- Money market details of Indian money market for the last 5 years and discussions thereof
Week 7	Session 14-15 Deposit functions of bank	<ul style="list-style-type: none"> <li>- Managing Bank Sources of Funds</li> <li>- Deposit Services</li> <li>- Non-deposit Products</li> </ul>	presentation
Week 8	Session 16 -18 Corporate	- Different types of corporate	- Credit analysis and

**COURSE OUTLINE****YEAR: 2017 | TRIMESTER: 4**

	banking, credit, appraisal and project finance	banking services loan products (working capital financing - cash credit and WCDL, bill discounting; explanation of each product,	appraisal of a lending proposal from a large corporate
Week 9	Session, 19- 20 BASEL norms	- Risk Management in Banks - Basel guidelines - the background - Basel norms with respect to capital adequacy - Basel norms with respect to asset classification	Midterm test
Week 10	Session 21 - 24	Customer Service Management Different channels of Customer Service, Technology and product Innovation and internal Assessment	VIVA and Presentation

\*\* Note: There will be series of Article & Case discussion, after each chapter, which will be communicated at later stages

\*\* : This is tentative course plan, there may be changes if required as some concept may take more time to complete If required, changes can be done at later stage, \*\* 1 Session= 75 Min. (1.15hr)

**\*\*SPECIFIC RULES**

1. For all the case discussion there will be quick quiz based on case/articles and peer review by different teams. Assigned notes and cases are expected to be read carefully before class starts, textbook is core reference
2. All Assignments to be completed before the class starts; no late submissions
3. Lateness and absences will be duly noted and will negatively impact your participation grade.  
Attendance: Miss no more than 2 classes (10%); else your grade will be cut
4. Interruption: No day-dreaming, mobiles, Laptops, emails, or Internet (unless asked to do so)
5. Grading: As per administrative policy for the core classes.