

COURSE OBJECTIVES:**To make the students**

1. To understand the concept, products, services, regulatory body and laws pertaining to banking Practice and its application in BPS.
2. To analyse the features of the banking apply the theoretical learning into lifelong practice in BPS sector.
3. To Critically evaluate the appropriate alternative products and services suitable for customer needs and draw a solution.
4. To comprehend and apply the laws related to banking.
5. To Communicate in oral and written form and prepare report
6. To work in teams and exhibit leadership skills

COURSE OUTCOMES:**Learners should be able to**

1. Understand the concept, products, services, regulatory body and laws pertaining to banking Practice and its application in BPS.
2. Analyse the features of the banking apply the theoretical learning into lifelong practice in BPS sector.
3. Critically evaluate the appropriate alternative products and services suitable for customer needs and draw a solution.
4. Comprehend and apply the laws related to banking.
5. Communicate in oral and written form and prepare report
6. Work in teams and exhibit leadership skills

Select a bank

1. Forms of various accounts and deposits of Commercial Banks.
2. Application forms for opening accounts, Cheque Books, pass books, requisition slips for withdrawals and deposits, bank statements, format of Demand draft, Cheque, travel cheques etc.
3. Action taken for the dishonoring of cheque and laws supporting the action.
4. Working and operation's of ATM, Credit cards, E-Banking.
5. Procedure for applying personal loan – application proforma and documents to submitted
6. Procedure for applying housing loan - application proforma and documents to submitted
7. Procedure for applying corporate loan - application proforma and documents to submitted

8. Procedure for applying working capital loan - application proforma and documents to submitted
9. Understanding the procedure and documents to be submitting to comply the KYC norms
10. Efforts taken by bank for financial inclusion initiative.
11. Difference in Basel I, II and III Accord, comment on the efforts taken by bank on complying the accord.

SUGGESTED READINGS:

TCS BPS study material

Practical: 1**Date:**

Forms of various accounts and deposits of commercial banks

AIM:

To understand the details of various deposit forms of banks in order to open the accounts.

Procedure:

Step 1 : To collect various deposit forms of banks

Step 2: To understand the forms for Account opening for individuals- savings bank/current account/ term deposit

Step 3: To understand the forms for account opening for other than individuals- savings bank/current account/ term deposit

Step: 4: To understand the forms for account opening for

- Non resident Indians(NRI)- NRE-SB/CD/TERM/FLEXI
- Non-resident ordinary(NRO) - NRE-SB/CD/TERM/FLEXI
- FCNR(B)

Step: 4: To understand Nomination forms

Step :5; Term deposit account opening for existing customers

Step: 6: To understand major details to be filled in and documents to be submitted

Result:

Opening Forms of various accounts and deposits of commercial banks were collected and understood the details to be filled in.

The following were the major details to be filled in and documents to be submitted to bank were understood.

Major details to be filled in :

1. Applicant details ,name address, etc.,
2. Facilities required
3. Nomination

4. Payment details
5. Mandates
6. Instructions for renewal
7. Signature

Documents to be submitted; (relevant)

1. Application form
2. Photo ID, Address ID ,
3. either one of proofs like ration card, aadhar card, voter ID, vehicle licence, Pan Card
4. Passport copy/visa copy
5. Partnership deed
6. Memorandum of association
7. Articles of association
8. Resolution copy
9. By law
10. Licence for establishments
11. Trust deed

Ex.no.3

Action taken for the dishonoring of cheque and laws supporting the action.

Aim

To know the action for dishonouring of cheques

Steps:

Action taken for the dishonoring of cheque

1. The paying bank should return dishonoured cheques presented through clearing houses strictly as per the return discipline prescribed for respective clearing house
2. The collecting bank on receipt of such dishonoured cheques should despatch it immediately to the payees / holders.
3. Cheques dishonoured for want of funds in respect of all accounts should be returned along with a memo indicating therein the reason for dishonour as "insufficient funds."
4. Data in respect of each dishonoured cheque for amount of Rs.1 crore and above should be made part of bank's MIS on constituents and concerned branches should report such data to their respective controlling office / Head Office.
5. no fresh cheque book would be issued for those accounts whose cheques of value of Rs.1.00 crore and above are dishonoured
6. If a cheque is dishonoured for a third time on a particular account of the drawer during the financial year, banks should issue a cautionary advice to the concerned constituent drawing his attention to aforesaid condition and consequential stoppage of cheque facility in the event of cheque being dishonoured on fourth occasion on the same account during the financial year. Similar cautionary advice may be issued if a bank intends to close the account.
7. For the purpose of adducing evidence to prove the fact of dishonour of cheque on behalf of a complainant (i.e. payee / holder of a dishonoured cheque) in any proceeding relating to dishonoured cheque before a court, consumer forum or any other competent authority, banks should extend full co-operation, and should furnish him/her documentary proof of fact of dishonour of cheques.

8. Banks should put in place an appropriate policy approved by the Board or its Committee taking into consideration the need to prevent misuse of the cheque drawing facility and avoid penalising customers for unintended dishonour of cheques.

Law laws supporting the action related to dishonour of cheques

Steps:

1. The Negotiable Instruments Act, 1881 is applicable for the cases of dishonour of cheque
2. According to Section 138 of the Act, the dishonour of cheque is a criminal offence and is punishable by imprisonment up to two years or with monetary penalty or with both.
3. If payee decides to proceed legally, then the drawer should be given a chance of repaying the cheque amount immediately. Such a chance has to be given only in the form of notice in writing
4. The payee has to sent the notice to the drawer with 30 days from the date of receiving “Cheque Return Memo” from the bank. The notice should mention that the cheque amount has to be paid to the payee within 15 days from the date of receipt of the notice by the drawer. If the cheque issuer fails to make a fresh payment within 30 days of receiving the notice, the payee has the right to file a criminal complaint under Section 138 of the Negotiable Instruments Act.

However, the complaint should be registered in a magistrate’s court within a month of the expiry of the notice period

Result:

The actions to be taken by banks on dishonouring of cheques and the laws related to them was understood.

Practical: 4**Date:****Working and operations of ATM, Credit cards, E-Banking****AIM:**

- To know the working and operations of ATM, Credit cards, e banking facilities
- To understand various facilities in ATM, Credit cards, e banking facilities

Procedure:

Step 1: The entire class was divided into eight groups.

Step 2 : The topic ATM, Credit cards, e banking was allotted to all the above groups with a brief details of all the above topics

Step 3: The groups discussed the topics

Step 4: The groups presented the details of deliberations of above topics.

Result:

The workings of ATM, Credit cards and e banking facilities were known after the presentation by various groups.

Practical: 2**Date:**

Application forms for opening accounts, Cheque Books, pass books, requisition slips for withdrawals and deposits, bank statements, format of Demand draft, Cheque, travel cheques etc.,

AIM:

- To fill the savings bank opening form
- To fill the deposit opening form,
- To fill the requisition slips for withdrawal forms,
- To fill up MICR cheque,
- To fill challan for depositing amount in various accounts like current account, overdraft, cash credit, savings bank, term deposit and loan accounts,
- To fill up remittance challan for demand draft, RTGS

(A) Application form for opening savings bank account**Procedure:**

Step 1 : To get the account opening form of a bank

Step 2: To get the required documents for address and photo ID proof like a copy aadhar card/driving licence/ration card/ passport copy/voter ID

Step 3: Start filling up the forms with address, date of birth, mandates for operation and other personal details

Step 4: Fill the introducers' details and get the signature of an introducer

Step 5: Fill up the nomination details

Step 6: Put the signatures wherever required

Step 7: Get the acknowledgement from the bank

Result:

The required details were provided and the form for Savings opening account was prepared.

(B) Application form for opening deposit account

Procedure:

Step 1 : To get the account opening form of a bank

Step 2: To get the required documents for address and photo ID proof like a copy aadhar card/driving licence/ration card/ passport copy/voter ID

Step 3: Start filling up the forms with address, date of birth, mandates for interest and other personal details

Step 4: Tick and fill applicable types of deposits including period of deposit, mode of crediting interest,

Step 5: Fill the introducers' details and get the signature of an introducer

Step 5: Fill up the nomination details

Step 6: Put the signatures wherever required

Result:

The required details were provided and the form for deposit account was prepared.

(C) Fill the requisition slips for withdrawal forms

Procedure:

Step 1: Get a copy of a withdrawal form leaf

Step 2: Fill up the details like date, payee, amount in words and figures, account number ,endorsement

Step 3: Put the signature

Result:

The required details were provided and the withdrawal form was filled up.

(D) Fill the MICR Cheque

Procedure:

Step 1: Get a copy of a MICR cheque form

Step 2: Fill up the details like date, payee, amount in words and figures, account number, endorsement

Step 3: Put the signature

Result:

The required details were provided and the MICR cheque form was filled up.

(E) Fill up challan for depositing amount in various accounts like current account, overdraft, cash credit, savings bank, term deposit and loan accounts

Procedure:

Step 1: Get a copy of a challan for remittance money in various accounts as above

Step 2: Fill up the details like date, account number, name of account, mobile number, amount in words and figures, write the denominations to be remitted and cheque details

Step 3: Fill the above details in counterfoil also

Step 4: Put the signature

Result:

The required details were provided and the remittance challan was filled up.

(F) Fill up remittance challan for purchasing demand draft, sending RTGS

Procedure:

Step 1: Get a copy of a challan for remittance money in accounts above

Step 2: Fill up the details like date, payee name ,payable at, amount in words and figures, write the denominations to be remitted and cheque details

Step 3: Fill the above details in counterfoil also

Step 4: Put the signature

Result:

The required details were provided and the remittance challan was filled up

E Banking

Online banking facilities typically have many features and capabilities in common, but also have some that are application specific. The common features fall broadly into several categories:

- A bank customer can perform non-transactional tasks through online banking, including:
 - Viewing account balances
 - Viewing recent transactions
 - Downloading bank statements, for example in PDF format
 - Viewing images of paid cheques
 - Ordering cheque books
 - Download periodic account statements
 - Downloading applications for M-banking, E-banking etc.
- Bank customers can transact banking tasks through online banking, including:
 - Funds transfers between the customer's linked accounts
 - Paying third parties, including bill payments and third party fund transfers
 - Investment purchase or sale
 - Loan applications and transactions, such as repayments of enrollments
 - Credit card applications
 - Register utility billers and make bill payments
- Financial institution administration
- Management of multiple users having varying levels of authority
- Transaction approval process

Some financial institutions offer special internet banking services, for example:

- Personal financial management support, such as importing data into personal accounting software. Some online banking platforms support account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other institutions.

Advantages

There are some advantages to using e-banking both for banks and customers:

- Permanent access to the bank
- Access anywhere using mobile or computer
- Less time consuming and we need not to go directly to the bank
- Very safe and secure method
- Helps to transfer the money immediately and accurately
- Easy to use

Working of ATM

When you insert your debit or credit card into the ATM, it reads the information encoded on the magnetic strip on the back of the card. That black strip is encoded with your unique card number, expiration date and personal identification number (PIN). Your card is basically a hard copy of the access information to your account. The ATM then asks for your PIN to verify your authorization to access account funds and information. When you have verified your PIN, the ATM communicates with your bank to access your account information. It can then display your account balance or distribute cash to you from your bank account balance. The ATM is connected to a collection of massive interbank networks. The two largest interbank networks are Cirrus and Pulse, although there are many others. An ATM can only provide access to bank accounts that are enrolled in the interbank networks it has access to; these are usually listed on the side of the machine. These interbank networks use phone lines, internet access and central computers to distribute information among one another and facilitate financial transactions.

64

CREDIT CARD

A **credit card** is a payment card issued to users (cardholders) to enable the cardholder to pay a merchant for goods and services based on the cardholder's promise to the card issuer to pay them for the amounts so paid plus the other agreed charges. The card issuer (usually a bank) creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance. In other words, credit cards combine payment services with extensions of credit. Complex fee structures in the credit card industry may limit customers' ability to comparison shop, helping to ensure that the industry is not price-competitive and helping to maximize industry profits. Due to concerns about this, many legislatures have regulated credit card fees.

A credit card is different from a charge card, which requires the balance to be repaid in full each month. In contrast, credit cards allow the consumers a continuing balance of debt, subject to interest being charged. A credit card also differs from a cash card, which can be used like currency by the owner of the card. A credit card differs from a charge card also in that a credit card typically involves a third-party entity that pays the seller and is reimbursed by the buyer, whereas a charge card simply defers payment by the buyer until a later date.