

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**PGDM 2014-16, TERM IV**  
**Management of Banks & Financial Services (FN605)**

**Faculty: Mr. Pankaj Priyadarshi**

**Email: [panks123@yahoo.com](mailto:panks123@yahoo.com)**

**Mobile: +91-9776074399**

**OBJECTIVE:**

The course aims to help students understand management of banks and financial services. It will also provide them tools to critically analyze the framework of management of banks and financial services its limitation. This course is about banks and other financial services. The objective of the course would be to have discussions on how to run them as business enterprises and how generally accepted management tools and techniques can be applied to financial enterprises. Banks are being seen less as merely credit disbursing institutions and more as business enterprises. Just like businesses enterprises, banks also have to develop a vision, make business plans, manage human resources, get their marketing correct in all its ramifications and get their strategies right.

On the other hand, Non-Banking Financial Companies (NBFC's) are emerging as significant players in the financial system. Thus, in this course there will be discussions and deliberations on management of banks and other financial institutions in India - their structures, their products & services, pricing, risk management, regulatory environment, strategic issues, current concerns and future prospects and challenges.

*At the end of the course the students should be able to:*

- Understand how the financial service industry is regulated;
- Identify the financial instruments at the disposal of the financial service industry;
- Apply key concepts and theories relevant to work in the financial services industry to different situations and circumstances;
- Have in-depth knowledge of various aspects related to Bank Risk Management, Credit Management, Forex Management, ALM and various issues in Insurance including the role of reinsurance and pooling in risk mitigation and study the banking regulations / products;
- Manage banks and financial institutions as businesses in the current scenario in India;
- Learn about financial products and services that are delivered by various financial institutions amidst competitors;
- Use appropriate knowledge to assist in making professional judgments, and be able to interpret future changes in financial services.

**METHODOLOGY:**

Delivery of this course is based on student learning centric approach. Presuming majority of students having taken up at good number of papers in the area of finance, it is appropriate that the course stress on building and reinforcing analytical ability and its communication on the subject. Hence case analysis, writing short analytical report, project work and quiz will form components of performance evaluation.

**TEXT BOOK:**

- Suresh, Padmalatha and Paul, Justin (2010), “Management of banking and financial services”, Pearson Education, 2nd Edition.
- Khan, M.Y. (6th Edition, 2011), “Financial Services”.

***Suggested Readings:***

- Tandon D., Tandon N., and Ahuja K. (2011). Indian Banking –Technology, Innovations and Key Concerns 1st Edition, Kunal Books.
- Tandon D., Tandon N., Ahuja P. (2012). Risk management in Basel, 1<sup>st</sup> edition, Skylark Publications.
- Rose, Peter S and Hudgins, Sylvia C (2010), “Bank Management & Financial Services”, Tata McGraw Hill, 7th Edition
- Dermine, Jean (2009). Bank Valuation & Value-based management – Deposit and Loan pricing, Performance Evaluation and Risk Management, Tata McGraw Hill
- Indian Institute of Banking and Finance (2009). Theory and practice of treasury and risk management in Banks, Taxmann Publications.
- Indian Institute of Banking and Finance (2007). Insurance Products (including pension products) 2nd Edition, Taxmann Publications.
- K Sasidharan and Alex K Mathews, Financial Services and Systems , Tata Mc Graw Hill, New Delhi (2008) (FS&S-S&M)
- Frank J Fabozzi, Franco Modigliani, Frank J. Jones, Michael G. Ferri, “Foundations of Financial Markets and Institution 3rd Edition” Pearson Education, New Delhi.
- Anthony Saunders, Marcia Millon Cornett “Financial Markets and Institutions 3rd Edition” Tata Mc Graw Hill, New Delhi
- T. siddaiah, “Financial Services”, Pearson Education
- Padmalatha Suresh, Justin Paul “Management of Banking and Financial Services 2nd Edition” Pearson Education
- Bharti V. Pathak “The Indian Financial System-Markets, Institutions and Services- 2nd Edition” Pearson Education
- “Mutual Fund “ICFAI University” 2007 Publications IUP.
- Koch, Timothy W and Macdonald, S Scott (2007). Management of Banking 6th Edition, Cengage Learning.
- ICFAI Case Studies in Finance Volume III (2005). The rise and fall of Global Trust Bank.
- Indian Institute of Banking & Finance (2004). Bank Financial Management, Taxmann Publications.
- Harrington & Niehaus (2004). Risk Management & Insurance, Tata McGraw Hill Second Edition.
- RBI’s Annual report on Trend and Progress of banking in India.
- IRDA’s Annual report.
- Websites of RBI and IRDA.

**EVALUATION:**

COMPONENT	FOCUS	MARKS
Assignment/Cases	Announced time to time in class, submission on time	10
Quizzes	Un announced, to check the conceptual knowledge	10
Project work	Allotted , announced in class and submission on time	20
Mid Term Exam	Mid Term Evaluation	25
End Term Exam	End Term Evaluation	35

### Session Plan

Session	Topic	Coverage
1-2	Overview of banking & financial system	Financial System, Financial products, financial markets and Financial Services: Introduction, RBI, its functions, regulations etc.
3-4	Banking services	Management of deposits, management of loans and advances, bancassurance
5-6	Understanding banks and their business drivers	Financial Statement analysis, NIM, net interest spread, ratios etc.
7-8	Introduction to financial services	Overview of financial services; fund raising, launching IPO
9-10	Financial services – Bonds, raising fund through debt	Bonds market, how and why companies raise fund through debt, bond market, coupon rate, YTM etc.
11-12	Financial services – M&A	Mergers and Acquisition, synergy, all share, cash, mixed M&A, Case study and classwork
13-14	Financial services – equity and equity investing	Equity investing, fundamental analysis, technical, buy side, sell side analysis
15-16	Financial services – Mutual funds	Mutual funds, types, investing in mutual funds, fund management, ratios
17-18	Financial services – Project Finance & Lease finance	Project finance, selection of project, NPV, IRR rule etc. Hiring versus Leasing
19-20	Financial services – Miscellaneous	Insurance, MBS, ABS, CDS, Derivatives etc.