



INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR
Post Graduate Diploma in Management
Management of Banks & Financial Services (FN-605)
3 Credit Course
Session Duration: 90 minutes

Term – V
2015-17
Batch-II

Course Outline and Session Plan

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Consulting Hours: Tuesday and Thursday 3.00 P.M to 4.30 P.M
Academic Year: 1016-17

Introduction

This course provides an in-depth understanding of management of banks and financial services offered in a growing business environment. This course aims to help students understand the regulatory framework of banking operations and its implications to financial services. The initial modules of this course will focus on providing an overview of the Banking and financial system. Like any business enterprise, Commercial Banks' profitability is a major concern in the context of business and economic growth and the students need to understand how best to manage the Banks with the objective of profit maximization. The initial modules will also deal with the contemporary banking and financial system and the regulatory framework that is necessary for a robust financial system. The later modules of the course will deal with the nitty-gritties of financial services including fundraising from the primary markets, debt markets and the role of Non-Banking Financial Companies (NBFCs) which have emerged as significant players in the financial system influencing the business and economy. In overall, the course will deliberate on management of Banks and financial services on their structure, pricing, risk management, strategic issues, the regulatory concerns and the future prospects and challenges in a free market environment.

Learning Outcomes

This being an elective course, the focus will be on applications of the concepts in the Banking and financial services sector. At the end of the course, the student should be able to:

1. Demonstrate an understanding of concepts, content and scope of Banking and financial services and its implications for business and economy.
2. Be familiar with the financial system and functioning of Banks and NBFCs in a regulatory framework.
3. Apply key concepts and theories relevant to work in the financial services industry under different situations
4. Manage risks associated with Banks and financial products offered by the financial markets
5. Use the concepts to make professional decisions and be able to interpret challenges in financial services and make the financial entity profitable
6. Manage banks and financial institutions as business enterprise in the contemporary business scenario in India

Pedagogy

The course will be delivered through a combination of lectures and classroom case discussions. This being an elective course, I shall encourage more peer learning as contemporary current data will be used to demonstrate the intricacies in achieving profitability in Banks and financial intuitions. Students are expected to be up to date on all data, products and indicators of financial services offered in India from the internet, newspapers and other sources as advised. For maximum impact, students are expected to take group exercises to develop further insights into the course. All the students are expected to come prepared for the class by reading the prescribed course materials. Apart from this, the students should be putting extra effort in outside the classroom activities. A few relevant cases shall be discussed in the class to strengthen the learning. Power point slides of class lectures and all other relevant material will be made available to students.

Reading Materials

Books

1. MANAGEMENT OF BANKING AND FINANCIAL SERVICES, Padmalatha Suresh and Justin Paul (2014), Pearson, 3rd Edition. Delhi.
2. BANK MANAGEMENT AND FINANCIAL SERVICES, Peter S Rose and Sylvia C. Hudgins, 8th Edition (2014), McGraw Hill Education, (INDIAN EDITION), New Delhi.
3. FINANCIAL SERVICES, Khan M Y (2013), 7th Edition, McGrawHill Education, New Delhi

Internet Sources:

There are several websites that have interesting information (data) and analysis pertaining to Banks and financial sector. The students are advised to follow www.ft.com (Financial Times) and www.economist.com (The Economist) on a regular basis. The data pertaining to Banking and financial services, specifically in the Indian context can be obtained from www.rbi.org.in and www.mospi.gov.in. The students will be advised to follow various websites of major banks from time to time to have a grasp on the information pertaining to banking sector. Students are expected to have a grip on financial markets in India. They are advised to follow websites like <http://www.moneycontrol.com/> for specific information and analysis on various financial services.

List of Cases

Case 1: The Japanese Financial System: From Post-war to the New Millennium; HBS-9-700-049

Case 2: Risk Management at Wellfleet Bank: All that Glitters is not Gold; HBS-9-110-011

Case 3: Emirates Airline: A Billion Dollar SUKUK-BOND Issue; W14084

Case 4: Subprime Meltdown: American Housing and Global Financial Turmoil; HBS – 9-708-042

Evaluation Criteria

The evaluation for the course will have various components like quizzes, case presentations, End-Term examination as well as class participation. The final grade will be calculated as follows:

Components		Weight
01	End Term Exam	40%
02	Quizzes	20%
03	Class participation *	10%
04	Assignment	15%
05	Presentation	15%

*The student is expected to come prepared to class by reading the materials provided by faculty and constructively contribute to class discussions. Similarly, for case discussions, the student is expected to read the case and advised to surf the net to have a grip on specific case-related issues and contribute to the discussion. The students are advised to keep themselves updated on any latest news/happenings nationally/internationally. The student is expected to be proactive in enriching the discussion for this component. Please note that *mere attendance* has no weightage for this component.

Session Plan: Management of Banks and Financial Services

Session	Topic	Learning Objectives	Readings
1-2	Overview of Banking and Financial System; Types of Banks; Functions of Banks; Performance of Banking Sector; Financial System; Financial Products; NBFCs and their Services	LO1 and LO2	Chapter-1 from Padmalatha and Paul's Book; Chapter-1 from Khan's Book; Chapter-1 from Rose & Hudgins
3-4	Management of Banking Services; The regulatory framework; Role of Central Bank; Monetary Policy Implications for Bank Management; Role of Banking Sector in Financial System; Banking Services in India	LO1, LO-2 and LO-3	Chapter-2 from Padmalatha and Paul's Book; Chapter- 2 from Rose & Hudgins; Case: The Japanese Financial System: From Post-war to the New Millennium
5-6	Bank Management; Sources of Bank Funds; Bank Liabilities; Bank Deposits and designer Schemes in the context of India; Pricing of Deposits; Interaction with monetary policy; Management of Bank Funds; Loans and Advances; Pricing of Bank Advances; Various Services offered by Banks; Issues in Bank profitability; Indian Experiences	LO1, LO-2 and LO-3	Chapter 4 & 5 from Padmalatha and Paul's Book; Chapter 12 and 15 from Rose & Hudgins
7-8	Management of Credit Risk; Risk Management by Banks; Credit Monitoring and Rehabilitation; Management of NPAs; Securitization of credit risk; Credit Risk Models; Investment Portfolios of Banks	LO3, LO-4 and LO-5	Chapter 7, 8 & 9 from Padmalatha and Paul's Book; Chapter- 7 and 9 from Rose & Hudgins
		LO3, LO-4 and LO-5	Chapter 12,13,15, 16 &20 from Padmalatha and

9-10	Management of Interest Rate and Liquidity Risk; Capital Adequacy; Retail Banking; CRM in Banks; Innovations in Banking; Foreign Exchange and Trade Finance; Hi-tech Banking; e-payment Systems; Electronic Banking; Cash Management in Banks		Paul's Book; Chapter- 4 and 11 from Rose & Hudgins Case: Risk Management at Wellfleet Bank: All that Glitters is not Gold
11-12	Financial Services; NBFCs; Venture Capital and Private Equity; Fund-raising; Launching IPO; Debt Funds; Bonds; Coupon Rate; Yield to Maturity; Regulatory Environment for financial services in India	LO3, LO-4 and LO-5	Chapter 17 Padmalatha and Paul's Book; Chapter-1 and 10 from MY Khan's Book Case: Emirates Airline: A Billion Dollar SUKUK-BOND Issue
13-14	Financial Services; Housing Finance; NHB; Mortgage based Securitization; Micro Finance; Pension Funds; Hedge Funds ;Credit Cards; Car Loans and Personal Loans; Management of Pension Funds; Management of Hedge Funds	LO3, LO-4, LO-5 and LO-6	Chapter 4 & 5 from Padmalatha and Paul's Book; Chapter-8 and 11 from MY Khan's Book Case: Subprime Meltdown: American Housing and Global Financial Turmoil
15-16	Equity Investment; Mutual Funds; Types of Mutual Funds and Organization; Mutual Funds Evaluations and Conditions; Fund Management; Tax Breaks in Mutual	LO-4, LO-5 and LO-6	Chapter-12 and 17 from M Y Khan's Book; Chapter-19 from Padmalatha and Paul's Book; Chapter 14 from Rose & Hudgins

	Funds; Credit Ratings; Regulatory Environment in India		
17-18	Insurance; Life, Health and Non-Life Insurance; Regulatory Framework; IRDA; Miscellaneous financial Services; Indian Context	LO-4, LO-5 and LO-6	Chapter -18 from Padmalatha and Paul's Book; Chapter-9 from M Y Khan's Book
19-20	Group Presentations; Discussions and Recap	LO1, LO-2, LO-3, LO-4, LO-5 and LO-6	The topics and guidelines for presentation will be communicated during the course