



**INTERNATIONAL MANAGEMENT INSTITUTE  
BHUBANESWAR**

**Post Graduate Diploma in Management  
Management of Banks & Financial Services (FN-605)**

**1.5 Credit Course**

**Session Duration: 90 minutes**

**Term –V**

**Academic Year: 2021-22**

**Batch-PGDM (2020-22)**

**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: 2021-22**

**Introduction**

This course provides an in-depth understanding of management of banks and financial services 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.

**Objectives**

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:

- Demonstrate an understanding of concepts, content and scope of Banking and financial services and its implications for business and economy. (LO-1)

- Be familiar with the financial system and functioning of Banks and NBFCs in a regulatory framework.(LO-2)
- Apply key concepts and theories relevant to work in the financial services industry under different situations (LO-3)
- Use the concepts to make professional decisions and be able to interpret challenges in financial services and make the financial entity profitable (LO-4)

### **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, 3<sup>rd</sup> Edition. Delhi.
2. BANK MANAGEMENT AND FINANCIAL SERVICES, Peter S Rose and Sylvia C. Hudgins, 8<sup>th</sup> Edition (2014), McGraw Hill Education, (INDIAN EDITION), New Delhi.
3. FINANCIAL SERVICES, Khan M Y (2013), 7<sup>th</sup> 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](http://www.ft.com) (Financial Times) and [www.economist.com](http://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](http://www.rbi.org.in) and [www.mospi.gov.in](http://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: Risk Management at Wellfleet Bank: All that Glitters is not Gold; HBS-9-110-011

Case 2: 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, Group Term Paper, End-Term examination as well as class participation. The final grade will be calculated as follows:

Components		Weight	Learning Attainments
01	End Term Exam	40%	LO-1, LO-2, LO-3 and LO-4
02	Quiz (2)	20%	LO-1, LO-2, LO-3 and LO-4
03	Group Term Paper*	30%	LO-2, LO-3 and LO-4
04	Class Participation**	10%	LO-1, LO-2, LO-3 and LO-4

\*The group Term paper will be announced and assigned during the course. The guidelines regarding the term paper will be intimated to students.

\*\* The student is expected to come prepared to class by reading the materials provided by faculty and constructively contribute to class discussions.

### **Plagiarism**

Plagiarism is the use of or presentation of ideas, works that are not one's own and which are not common knowledge, without granting credit to the originator. The student may refer to the already available content just for the reference and to get the basic ideas. Only 20% of such content is acceptable, above that comes under the definition of Plagiarism which is unacceptable and will be treated seriously. All such cases will be referred to the appropriate body of the Institute for suitable disciplinary action. All the assignments and Term Papers will be subjected to plagiarism software. Before submission, the student must make sure that their submissions comply with the plagiarism policy of IMI, Bhubaneswar.

## **Session Plan: Management of Banks and Financial Services**

Session	Topic	Learning Outcomes	Readings
1-2	Introduction to Banking and Financial System; Types of Banks; Functions of Banks; Performance of Banking Sector;	LO-1, LO-2, and LO-3	Chapter-1 from Padmalatha and Paul's Book; Chapter-1 from

	Financial System; Financial Products; NBFCs and their Services		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	LO-1, LO-2, and LO-3	Chapter-2 from Padmalatha and Paul's Book; Chapter- 2 from Rose & Hudgins;
5-6	Management of Banks; Sources of Bank Funds; Bank Liabilities; Bank Deposits; Loans and Advances; Pricing; Bank profitability; Indian Experiences	LO-2, LO-3, and LO-4	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; Investment Portfolios of Banks	LO-2, LO-3, and LO-4	Chapter 7, 8 & 9 from Padmalatha and Paul's Book; Chapter- 7 and 9 from Rose & Hudgins
9-10	Management of Interest Rate and Liquidity Risk; Capital Adequacy; Retail Banking; Foreign Exchange and Trade Finance; Cash Management in Banks	LO-2, LO-3, and LO-4	Chapter 12,13,15, 16 &20 from Padmalatha and Paul's Book; Chapter- 4 and 11 from Rose & Hudgins  <b>Case:</b> 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	LO-2, LO-3, and LO-4	Chapter 17 Padmalatha and Paul's Book; Chapter-1 and 10 from MY Khan's Book
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	LO-2, LO-3, and LO-4	Chapter 4 & 5 from Padmalatha and Paul's Book; Chapter-8 and 11 from MY Khan's Book  <b>Case:</b> Subprime Meltdown: American Housing and Global Financial Turmoil

15	<p>Mutual Funds; Types of Mutual Funds and Organization Fund Management; Tax Breaks in Mutual Funds; Credit Ratings; Regulatory Environment in India</p> <p>Insurance; Life, Health and Non-Life Insurance; Regulatory Framework</p>	LO-2, LO-3, and LO-4	<p>Chapter-12 and 17 from M Y Khan's Book; Chapter-19 from Padmalatha and Paul's Book; Chapter 14 from Rose &amp; Hudgins</p> <p>Chapter -18 from Padmalatha and Paul's Book; Chapter-9 from M Y Khan's Book</p>
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