B. J. VANIJYA MAHAVIDYALAYA

(Autonomous) (Grant-in-Aid)
(Affiliated to Sardar Patel University)
Vallabh Vidyanagar- 388 120, Dist. Anand, Gujarat, India
Accredited with CGPA of 2.78 on four-point scale at B++ Grade by NAAC
Syllabus as per the NEP 2020 with effect from July – 2026
Master of Commerce (M. Com.) Semester – I

Course Type	Course Code	Course Title	Teaching-Learning Scheme	Total Notional Hours	Course Credits
			L-P-T		
DSE	P2B01NECOM06	**Indian Financial System, Banking and Risk Management**	3-0-1	**120**	04

- **Course Learning Outcomes (CLOs)**

  On completion of this course, students will be able to:

  CLO1: Appraise the structure and functions of the Indian Financial System, including both banking and non-banking institutions.

  CLO2: Analyse the evolution of the Indian banking sector and the impact of modern technological reforms.

  CLO3: Evaluate the regulatory and monetary functions of the Reserve Bank of India (RBI) and its role in financial stability.

  CLO4: Critique the roles and objectives of Development Banks (IDBI, NABARD, etc.) and Regional Rural Banks in national growth.

  CLO5: Apply risk management principles and financing techniques to identify and mitigate institutional and pure risks.

Unit	Course Content	Learning Pedagogies	CLO(s)
I	• **Indian Financial System and Banking Sector** Financial System-Functions of Financial System-Classification of Financial System- (Financial Markets-Financial Institutions- Financial Instruments- Financial Services)-Benefits of Financial Services, Banking & Non-Banking Financial Institutions in India-Banking Institutions in Indian Context-Non-Banking Financial Institutions in India. • **Banking-A Retrospect** A Brief History of the Growth of Indian Banking Sector-Evolution of Modern Banking-Indian Scenario-Merchant Banking-Capital Markets Reforms- Various Committees on Banking Sector-(Reforms-other Developments supportive to Commercial Banks)-2014 onwards Developments (PM Narendra Modi Era)-Information Technology in Banking Sector.	Classroom Lecture (CL), Case-Based Learning (CBL), Self-Directed Learning (SDL)- Researching recent banking reforms since 2014.	CLO1, CLO2

II	• **Central Banking (Reserve Bank of India-RBI)** Introduction-Need for a Central Bank-Organization & Management of RBI-Monetary Functions of RBI-Monopoly of Note Issue (Issuer of Currency)-Banker to the Government-Banker's Bank & Lender of Last Resort-Controller of Credit-Bank Rate Policy-Bank Rate-Repo Rate-Reverse Repo Rate-Marginal Standing Facility Rate (MSF Rate)-Open Market Operations - Variable Reserve Ratio Method-Liquidity Adjustment Facility-Market Stabilization Fund-Selective Credit Controls-Moral Suasion & Other Methods-Manager of Custodian of Foreign Exchange Reserves-Regulation of Payment System-Non-Monetary Functions-Branch Licensing-Regulatory Functions-Maintenance of Statutory Reserves-Risk Management-regulation of Interest Rate-KYC Norms-Disclosure Norms-M&As-Para Banking-Supervising Function-Conducting Periodic Meeting-Monitoring Financial Institutions-Development Functions.	Classroom Lecture (CL), Problem-Based Learning (PBL), ICT-Enabled Learning (ICT) Using digital resources to track real-time RBI Repo/Reverse Repo rate changes. Inquiry-Based Learning: Investigating the impact of KYC norms on fraud prevention.	CLO3
III	• **Development Banking (DB)** Introduction- Definition of Development Bank (DB)-Objectives of DB-IDBI-IFCI-ICICI & ICICI Bank-SFCs-SIDCs-EXIM Bank-SIDBI-NABARD. • **Regional Rural Banks (RRBs)** Background Information-Ownership-Objectives-Features of RRBs-Controlling Authority-Role of Sponsor Bank-Functions-Process-Problems-Reformation Process.	Classroom Lecture (CL), Industrial/Institutional Visit (IV), Project - Oriented Learning (ROL) Collaborative Learning: Group discussion on the role of bank in development and international trade.	CLO4
IV	• **Risk Management and Control** The Concept of Risk- Risk vs. Uncertainty- Types of Risks- Classifying Pure Risks- Losses and Methods of Handling Pure Risk- Risk Management Process- Risk Financing Techniques- Risk Management Objectives-Risk Management Information Systems (RMIS)-Organization of Risk Management Department-Risk Management vs. Insurance Management.	Classroom Lecture (CL), Case-Based Learning (CBL)-Analysing real-world financial losses to identify risk types., Simulation and Role-Play (SRP)-Acting out a risk assessment committee meeting for a new bank loan.	CLO5

- **Assessment Methodologies**

  (C) Internal Formative Assessment: Assignment, Seminars, Presentation, Case Study, Self-Learning, Group Discussion, Book Lessons, Quizzes, MCQs (30%)

  (D) Internal Summative Assessment: Mid Term Written Examination: (20%)

  Total Internal Assessment: Total: 50% (50 Marks)

- **End of term Examination (University):** 50% (50 Marks)

(D) Weightage of Learning Efforts for External Assessment

Unit	Aligned CLOs	Total Learning Hours	Approximate weightage (Marks) to Learning levels (BT)			Total Marks
			Remember (R)	Understanding (U)	Application/ Analyse & above (A)	
I	CLO1, CLO2	30	3	4	6	13
II	CLO3	32	3	3	6	12
III	CLO4	28	2	4	7	13
IV	CLO5	30	2	4	6	12
		120	**10**	**15**	**25**	**50**

- **Assessment and Evaluation**

Sr. No.	Assessment/Evaluation	Component	Weightage (%)
1	Continuous Internal Evaluation	Seminars, CSDS, Assignments, MCQ Tests, Case Study, Quizzes, Class Regularity, Presentations, Viva	50 (50 Marks)
2	End-Semester Examination	Written Exam	50 (50 Marks)

(E) CLOs – PLOs Matrix
Values: 3 (Strong), 2 (Moderate), 1 (Low), - (No correlation)

CLO	PLO1	PLO2	PLO3	PLO4	PLO5	PLO6	PLO7	PLO8	PLO9	PLO10	PSO1	PSO2
CLO1	3	2	1	-	1	-	1	2	-	2	2	1
CLO2	2	1	2	-	1	3	-	2	2	2	1	3
CLO3	3	3	2	1	2	-	2	3	-	2	3	2
CLO4	2	1	-	2	1	-	-	2	2	1	2	1
CLO5	2	2	3	2	-	2	3	1	2	3	3	3

- **Suggested Learning Materials Books:**

Sr. No.	Title	Author(s)	Edition/Year	Publisher
1	Banking: Theory and Practice	H. R. Appannaiah & H. A. Bhaskar	Edition 2022) (First-Edition- 2021)	Himalaya Publishing House
2	Fundamentals of Insurance	Dr. P. K. Gupta	Revised Edition 2008	Himalaya Publishing House
3	Banking: Theory, Law and Practice	E. Gordon & K. Natarajan	27th Revised Edition 2019.	Himalaya Publishing House

- **Online Resources (Open Source)**

Sr. No.	Description of Resource(s)	Weblink
I	Indian Financial System: Overview of financial markets, instruments, and the evolution of the Indian banking sector.	SWAYAM: Indian Financial System
I	Banking Reforms & History: Insights into the growth and modern developments of the Indian banking sector.	Investopedia: Banking Evolution

II	RBI Functions & Monetary Policy: Official data on Repo rates, KYC norms, and regulatory frameworks.	Reserve Bank of India (RBI)
II	Payment System Regulation: Information on how the central bank manages and supervises financial institutions.	SEBI: Capital Market Reforms
III	Development Banking & NABARD: Resources on rural finance, agriculture development, and institutional objectives.	NABARD: Development Banking
III	Financial Institutions & Markets: Detailed courses on the role of IDBI, SIDBI, and EXIM banks in the economy.	NPTEL: Banking & Economics
IV	Risk Management Principles: Theoretical and practical modules on identifying, classifying, and financing risks.	SWAYAM: Principles of Insurance
IV	Insurance Sector Regulation: Guidelines and development strategies for the evolving insurance industry.	IRDAI: Insurance Regulation