

SEMESTER VI (Banking and Finance)

0201363: e-COMMERCE AND BANKING

Full Marks: 100

Introduction to E-commerce

Marks: 10

Introduction; Overview of the E-commerce; Advantages: to Organisations, to Customers, Advantages to Society; Disadvantages of E-commerce: Technical Disadvantages, Non-Technical Disadvantages; Payment System of E-commerce: Credit Card, Debit Card, Smart Card, E-Money, Electronic Fund Transfer; Types of E-commerce: B2B - Business to Business, B2C - Business to Consumer, C2B - Consumer to Business, B2E - Business to Employee, C2C - Consumer to Consumer; Features of E-commerce; Difference between Electronic Commerce and Traditional Commerce; Scope of Electronic Commerce; Present Status of E-commerce in India; Forces Fuelling E-commerce: Economic Forces, Market Forces, Technology Forces

Introduction to E-banking

Marks: 14

Introduction; Benefits; Challenges; Types of Online Banking: PC Banking, Internet Banking, Digital TV Banking, Text Phone Banking; Forms of Electronic Banking: Electronic Banking Using a Telephone Connection, Phone Banking, Automated Telephone System, SMS Banking, GSM SIM Toolkit, WAP (Wireless Application Protocol), Electronic Banking using Personal Computers, Home Banking, Internet Banking, Mail Banking, Payment Instruments and Self-Service Zones; Impact of E Banking on Traditional services; E-banking in India; Future of Online Banking

E - Banking Risk and Risk Management Activities

Marks: 15

Introduction; Types of Risks Associated with E banking: Transaction/Operations Risks, Credit Risks, Liquidity, Interest Rate, Price/Market Risks, Compliance/Legal Risks, Strategic Risks, Reputation Risks, Money Laundering Risks, Cross Border Risks; Risk Management Activities: Assessing Risks, Managing and Controlling Risks, Security Policies and Measures, Internal Communication, Evaluating and Upgrading, Outsourcing, Disclosure and Consumer Education, Contingency Planning, Monitoring Risks, System Testing and Surveillance, Auditing and Managing Crosses Border Risks; Management of Cross Border Risks

E-commerce and Banking Payment System

Marks: 12

Introduction: Characteristics of Online Payment Systems, Usage of Electronic Payment Systems, Critical Success Factors of E-Commerce Payment System; Types of Electronic Payment System: Credit Cards, Debit Cards, Mediating Services, Mobile Payment and Telephony Account System, Payment via Online Banking, Smart Card System, Online Cash System, Electronic Cash Payment System, Micropayments, International Electronic Payment; Comparison of Electronic Payment System

Technology and Security Standards for E-Commerce and Banking

Marks: 12

Introduction: Computer Networking and Internet, Banking Product, Application Architecture; Definition of Electronic Signature and Authentication; Basic Principles of Information Security: Confidentiality, Integrity, Availability, Authenticity, Non-repudiation, Identification, Authorisation, Accountability and Auditability; Application Control and Security; Physical and Personal Security; Encryption; Data Security; Vulnerability Assessment; Establishing On-Going Security Monitoring Processes; Security Measures against Malware; Audit Trails; Firewalls; Cloud Computing

Legal Issues in E-banking

Marks: 11

Introduction; Obligation of Banks and Online Banking: Banks have to maintain Secrecy, Obligation to Produce Documents, Obligation to Verify Forgery of Signatures, To Provide Proper Service to the Customer, Proper User ID, Passwords and/or Personal Identification, Secure Zones, Revocation and Amendment of Instructions, Rights and Liabilities of the Parties, Internet Banking and Money Laundering, Maintenance of Records, Inter-Bank Electronic Funds Transfer; Measures to Control Risk Due to Internet Banking

Regulatory and Supervisory Concerns in E-Banking

Marks: 15

Introduction; Major Supervisory Concerns: Operational Issues, Cross Border Issues, Customer Protection and Confidentiality Issues, Competitiveness and Profitability Issues; Risk Management of Cross-Border E-Banking Activities; Supervision of Cross-border E-Banking Activities; The Role and Responsibilities of the Home Country Banking Supervisor; Recommendations by RBI for E-Banking: Transactional Services on the Internet, Auditor's Discussions, Checklist Development, Risks and Controls in Computers and Telecommunications, Payment Gateway, Reputation Risk due To Customers Misunderstanding

E-banking Project Management

Marks: 11

Introduction; Project Planning; Setting Success Criteria; Partial Behavioural Model of IS Use; Common Reasons for Failure of Technology Projects; Typical Steps in an E-Banking Project; Project Management Methodology/Tools; PRINCE2; Microsoft Project; A Systems Approach to Project Management; Managing Human Issues

Reference Books:

1. Prins, C., 2002. Trust in Electronic Commerce: The Role of Trust from a Legal, an Organizational, and a Technical Point of View. Kluwer Law International.
2. Radu, C., 2002. Implementing Electronic Card Payment Systems. Artech House.
3. Rayport, 2003. Introduction to E-Commerce. Tata McGraw-Hill Education.
4. Sarlak, A. M. and Hastiani, A. A., 2011. E-banking and Emerging Multidisciplinary Processes: Social, Economical and Organizational Models. Idea Group Inc (IGI).
5. Sarlak, A. M. and Hastiani, A. A., 2011. E-banking and Emerging Multidisciplinary Processes: Social, Economical and Organizational Models. Idea Group Inc (IGI).
6. Tassabehji, R., 2003. Applying E-Commerce in Business. SAGE.
7. The Information Technology Act. 2000. Universal Law Publishing.

0201361: FINANCIAL INSTITUTIONS AND FINANCIAL MARKETS

Full Marks: 100

Financial Markets: Role and Structure in the Industry

Marks: 11

Financial System Structure and Functions; Financial Markets and their Economic Functions; Stock Exchanges in India; Security Measures and Operational Features of BSE and NSE: Market Timings, Automated Trading System, Rolling Settlement and Settlement Cycle; Financial Intermediaries and Their Functions; Financial Markets Structure: Financial Instruments, Classification of Financial Markets; Financial Market Regulation; Role of Financial Institutions: Role of Depository Institutions, Role of Non-depository Financial Institutions; Role of Financial Markets: Accommodating Corporate Finance Needs, Accommodating Investment Needs, Primary versus Secondary Markets

Determination of Interest Rates

Marks: 12

Introduction; Interest Rate Determination: The Rate of Interest, Interest Rate Theories: Loanable Funds Theory, Interest Rate Theories: Liquidity Preference Theory; Determinants of Interest Rates for Individual Securities: Inflation is the Rate of Change in the Overall Price Level, Default or Credit Risk, Liquidity Risk, Special Provisions of Covenants, Term to Maturity; Forecasting Interest Rates

Term Structure of Interest Rates

Marks: 9

Introduction; Theories of Term Structure of Interest Rates: Expectations Theory, Liquidity Premium Theory, Market Segmentation Theory, The Preferred Habitat Theory; Forward Interest Rates and Yield Curve

Money Market

Marks: 12

Introduction: The Role of Money Markets, Money Market Segments, Money Market Participants; Money Market Instruments: Treasury Bills and other Government Securities, The Interbank Market Loans, Commercial Papers, Certificates of Deposit, Repurchase Agreements, International Money Market Securities; Money Market Interest Rates and Yields

Debt Markets

Marks: 12

Debt Market Instrument Characteristics: Important Characteristics of Bonds, The Types; Bond Market: Bond Market Characteristics, Bond Market Yields; Bond Valuation: Discounted Models, Bond Duration and Risk, Bond Price Volatility, Behaviour of Macaulay's Duration, Immunisation, Bond Convexity; Bond Analysis: Inverse Floaters and Floating Rate Notes, Callable Bonds, Convertible Bonds

Equity Markets

Marks: 14

Introduction; Equity Instruments: Common Shares, Preferred Shares, Private Equity, Global Shares and American Depository Receipts (ADR); Primary Equity Market: Primary Public Market; Secondary Equity Market: Organised exchanges, Over-the-Counter (OTC) Market, Electronic Stock Markets; Secondary Equity Market Structure: Cash vs. Forward Markets, Continuous Markets and Auction Markets, Order-driven Markets and Quote-driven Markets, Hybrid Markets; Equity Market Transactions: Bid-ask Spread, Margin Trading, Short Selling, Stock Trading Regulations; Equity Market Characteristics: Stock Indicators, Stock Market Indexes, Stock Market Indicators, Transaction Execution Costs; Stock Valuation: Fundamental Analysis, Technical Analysis

Derivative Market

Marks: 14

Hedging Against Risk; Description of Derivatives Markets; Forward and Futures Contracts: Principles of Forward and Futures Contracts, Forward and Futures Valuation, Use of Forwards and Futures, Futures Contracts: Stock Index Futures, Contracts for Difference (CFD); Swaps; Options: Options Definition, Components of the Option Price, Determinants of the Option Price, Option Pricing Models, Mixed Strategies in Options Trading; Depository System: Depository Participant (DP), Need and Importance of Depository System

Financial Institutions in India

Marks: 16

Introduction; Institutional Support: National Small Industries Corporation (NSIC), Small Industries Development Organisation (SIDO), Small Industries Service Institutes (SISI), Small-Scale Industries Board (SSIB), State Small Industries Development Corporations (SSIDC), District Industries Centres (DIC); Financial System and Banking System; Constituents of the Financial System: Financial Institutions; Indian Financial System; Indian Banking System Evolution of Commercial Banking in India: Phase of Banking Consolidation: 1951-1964, Phase of Innovative Banking: 1964-1990, Phase of Prudential Banking - Since Early Nineties

Reference Books:

1. Culbertson, J. M., 1957. *The Term Structure of Interest Rates*. Quarterly Journal of Economics.
2. Estrella, A. & Mishkin, F. S., 1996. *The yield curve as a predictor of U.S. recessions*. Federal Reserve Bank of New York Current Issues in Economics and Finance.
3. Favero, C. A., Kaminska, I. & Soderstrom, U. 2005. *The predictive power of the yield spread: Further evidence and a structural interpretation*. CEPR Discussion Paper.
4. Favero, C. A., Kaminska, I. & Soderstrom, U., 2005. *The predictive power of the yield spread: Further evidence and a structural interpretation*. CEPR Discussion.
5. Foucault, T. & Menkveld, A. J., 2008. *Competition for Order Flow and Smart Order Routing Systems*, Journal of Finance.

0201360: BANKING LAW AND PRACTICE

Full Marks: 100

An Introduction to Banking System

Marks: 10

Introduction: Reserve Bank of India as a Central Bank of the Country, State Bank of India and its Associate (Subsidiaries) Banks-A New Channel of Rural Credit, Nationalisation of Banks for Implementing Government Policies, Regional Rural Banks, Local Area Banks, New Private Sector Banks; Structure of Banks in India; Different Types of Banks in India; Constituents of the Indian Banking System: Commercial Banks, Public Sector Banks, Private Sector Banks, Foreign Banks, Co-operative Banking System BANKING SYSTEM, Short-term Agricultural Credit institutions, Long-term Agricultural Credit Institutions, Urban Cooperative Banks, Development Banks, National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), National Housing Bank (NHB), Export Import Bank of India (EXIM Bank); Functions of Commercial Banks

Regulation and Control on Banking in India

Marks: 14

Introduction: Reserve Bank of India Act, 1934; Banking Regulation Act, 1949: Other Important Sections of Banking Regulation Act, 1949, Other Compliance Requirements; Opening of New Banks and Branch Licensing: Setting up of a New Bank, Branch Licensing; New Bank Licensing Policy, 2013; Cash-Currency Management: Currency Chests, Currency Printing and Coin Minting; Audit; Inspection; Fraud: Classification of Frauds; Corporate Governance: Effective Corporate Governance Practices, Corporate Governance in Banks, Role of Banks; Banking Codes and Standards Board of India (BSCSBI); The Banking Ombudsman Scheme: Grounds of Complaints, Miscellaneous Provisions

Banker-Customer Relation

Marks: 15

Introduction; Meaning of a Banking Company: Features of Banking; Customer; Banker and his Rights: Right of Appropriation of a Banker, Right of General Lien of a Banker; Special Features of a Banker's Right of General Lien; Various Types of Customers: Individuals, Hindu Undivided Family (HUF), Firms, Companies, Trusts, Clubs, Local Authorities, Co-operative Societies; Closing of a Bank Account: Voluntary Termination, If the Bank Desires to Close the Account, Termination by Law; 'Know Your Customer' (KYC) Guidelines of the RBI: Customer Identification Procedure, Customer Identification Requirements, Specimen Signature, Power of Attorney; Closing of a Bank Account; Insurance of Bank Deposits: Salient Features of Deposit Insurance; Nomination: Settlement of Claims, Settlement of Claims from a Nominee, Payment of Balance without Succession Certificate

Legal Aspects of Banking Operations

Marks: 15

Introduction: Different Types of Cheques; Crossing of a Cheque: Cheque Crossed Generally, Cheque Crossed Specially, Payment of Cheque Crossed Generally or Specially, Cheque Bearing 'Not Negotiable', Double Crossing; Endorsement: Legal Provisions Regarding Endorsements, General Rules Regarding the Form of Endorsements; Legal Aspects of Collection of a Cheque: Banker as a Holder for Value, Collecting Banker as an Agent, Conversion by the Collecting Banker, Statutory Protection to Collecting Bank; Duties of the Collecting Bank: Duty to Open the Account with References and Sufficient Documentary Proof, Duty to Confirm the Reference where the Referee is not known or has given Reference in Absentia, Duty to Ensure Crossing and Special Crossing, Duty to Verify the Instruments or Any Apparent Defect in the Instruments, Duty to Take into Account the State of Customer's Account, Negligence of Collecting Bank in Collecting Cheques Payable to Third Parties; Indemnities; Guarantees; Banking Hours/Working Hours/Operation: Sick/Old/Incapacitated Account Holders-Operational Procedure, Remittance; Complaints; Erroneous Debits arising on Fraudulent or Other Transactions; Safe Deposit Locker/Safe Custody Article Facility

Banking Related Laws

Marks: 12

Introduction: Important Aspects, Period of Limitation for Certain Documents, Revival of Documents, Court Holiday, Limitation Period-Precautions to be taken by Bank; Banker's Book Evidence Act, 1891: Important Aspects of Bankers' Book Evidence Act, 1891; Tax Laws Applicable in Banking Operations; Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (DRT ACT): Debt Recovery Tribunals; Lok Adalats; SARFAESI ACT, 2002: SARFAESI Act-Important Aspects, Securitisation, Asset Reconstruction, Enforcement of Security Interest; Lenders Liability Act; Banking Ombudsman: Important Features of Banking Ombudsman; The Consumer Protection Act, 1986

Financial Analysis of Banks

Marks: 9

Introduction; Financial Analysis: Analysis of Balance Sheet, Analysis of Profit and Loss Account, Analysis of Funds flow/Cash Flow Statements; Techniques used in Analysis of Financial Statements; Du Pont Model: Special Issues in Financial Analysis-Banking Industry; Financial Analysis by Bank as a Lender; Bankers as Investors

Risk Management in Banks

Marks: 11

Introduction: Risks; Risk Management-Important Features; Risk Management Structure: Risk Management under Basel I, Risk Management under Basel II; Credit Risk Management: Mitigation of Credit Risk, Credit Risk Measurement-Basel II Norms; Liquidity and Market Risk Management: Market Risks, Other Important Risks, Country Risk Management System (CRMS); Operational Risks: Some Examples of Operational Risks; Risk Management under Basel III; Reporting of Banking Risks; Risk Adjusted Performance Evaluation: Important Aspects

Ethics and Corporate Governance in Banks

Marks: 14

Introduction: Understanding Ethics, Rights of People, Ethical and Unethical Issues; Business Ethics: What is a Code of Ethics?, Ethical Aspects in Human Resource Management, Ethical Aspects in Marketing Management, Ethical Aspect in Financial Management, Desired Ethical Practices and Corporate Governance; Corporate Social Responsibility in the Financial Sector; Corporate Governance in Banking System; Compliance Officer; Clause: Audit Committee (AC), Auditors and other Internal Audit Reports, Customer Service Committee, Special Committee for Monitoring Large Value Frauds, IT Strategy Committee, Remuneration Committee, Nomination Committee; Disclosure New Clause; Basel Committee Recommendations; Auditor's Certificate on Corporate Governance

Reference Books:

1. Asser, T. M. C., 2001. Legal Aspects of Regulatory Treatment of Banks in Distress. International Monetary Fund.
2. Bertram, S., 2011. Risk Management in Banks. GRIN Verlag.

3. Bourke, J., 2000. Money, Money, Money: An Introduction to Banking and Money Concepts in Australia for Ages 10+. Ready-Ed Publications.
4. Bratanovic, S. B. & Greuning, H. V., 2009. Analyzing Banking Risk: A Framework for Assessing Corporate Governance and Risk Management. World Bank Publications.
5. Effros, R.C., 1998 Current Legal Issues Affecting Central Banks, Volume 5. International Monetary Fund.
6. Glantz, M., 2003. Managing Bank Risk: An Introduction to Broad-base Credit Engineering, Volume 1. Academic Press.

0201359: BANK MANAGEMENT

Full Marks: 100

Introduction to Banking System

Marks: 10

Introduction: Definition of Banks, Meaning; Scheduled and Non-Scheduled Banks; Origin and Development; Evolution and Growth of Banking System in India; Structure of Indian Banking Industry; Present Structure of Indian Banking Industry; Recommendations of Narasimham Committee; Challenges before Indian Commercial Banks; Opportunities for Indian Commercial Banks; Banking Sector Reforms

Liquidity and Profitability Management

Marks: 16

Introduction; Liquidity; Governance of Liquidity Risk Management; Liquidity Risk Management Policy, Strategies and Practices; Measurements; Monitoring of Liquidity Standards: Inter-bank Liability (IBL) Limit, Call Money Borrowing Limit, Call Money Lending Limit; Profitability; Measures of Profitability; Statement of the Problem of Liquidity Management; Theories of Liquidity Management: Trade off Theory Liquidity, Pecking Order Theory Liquidity; Theories of Profitability: Clark Theory of Profitability, Schumpeter Theory of Profitability; Objectives of the Study of the Liquidity Management and Profitability; Funding Scenario

Capital Adequacy

Marks: 12

Introduction; Capital Adequacy in Banks; General Provisions; Philosophy of Bank Capital Adequacy; Nature of Capital Adequacy of Banks; Functions of Capital Funds: The Loss-Absorbing Function, The Confidence Function, The Financing Function, The Restrictive Function; Basel Norms on Capital Adequacy: Basel I Norms, Basel II Norms, Basel III Guidelines; Capital Adequacy Standard in India; The Present State of Capital Standards for Commercial Banks in India

Investment Management and Credit Management

Marks: 16

Introduction of Investment Management; Portfolio Management and Advisory Services; Separately Managed Accounts: Trusts, Investment Agency Accounts, Mutual Fund Wrap Accounts, Collective Investment Funds (CIFs); Types of Investors: Personal Investors, Institutional Investors; Investment Risks: Transaction Risk, Compliance Risk, Strategic Risk, Reputation Risk; Risk Management Processes; Credit Risk Management; Tools of Credit Risk Management: Exposure Ceilings, Review/Renewal, Risk Rating Model, Risk based scientific pricing, Portfolio Management, Loan Review Mechanism; Principles of Sound Lending: Safety, Liquidity, Profitability, The Purpose of the Loan

Asset-Liability Management

Marks: 12

Introduction; Asset Liability Management; Asset Liability Management (ALM) Process: ALM Information Systems, ALM organization, ALM Process; ALM Measuring Risk; Managing Interest Rate Risk; Concept of Non Performing Assets; NPAs Classification; Types of NPA; Causes Accountable for Rising NPAs; Impact of NPA on the Operations of Banks; Measures to Control NPAs: Preventive Measures, Curative Measures; Prudential Norms

Technology in Banking

Marks: 12

Introduction; Recent Trends in Banking Technology; Digital Signature: Digital Signature Format in PDF, Digital Signature Certificates, Digital Signature Certificate Verification, Precautions while using Digital Signature Certificates; Electronic Fund Transfer (EFT); Electronic Clearing Services (ECS): Electronic Credit Clearing, Electronic Debit Clearing; Real Time Gross Settlement System (RTGS); SWIFT; Electronic Banking: SMS Banking, Mobile Banking, Telephone Banking, Interactive Voice Response (IVR)

Relationship Banking

Marks: 12

Introduction; Relationship Banking; Relationship Banking – Importance; Services Offered; Merits and Demerits; Definition of Banker; Banker-Customer Relationship: General Relationship, Special Relationship; Customer Relationship Management in Banks: Types of CRM, Need for, CRM's Benefits to the Banking Industry, Implementing and Integrating CRM Solutions

International Banking

Marks: 10

Introduction; Types of International Banking Expansion; International Financial Transactions: International Lending, International Borrowings; Differences in Balance Sheets and Performance Between Foreign and Domestic Banks; Foreign Trade Financing: The Foreign Exchange Market, Foreign Exchange Trading, Exchange Rates, Foreign Exchange Risk

Reference Books:

1. Murthy Venugopal, K. D., 2006. *Indian Financial System*. I. K. International Publishing House Pvt. Ltd.
2. Pathak, V. B., 2011. *The Indian Financial System: Markets, Institutions and Services*. Pearson Education India.
3. Rai, A., 2012. *Customer Relationship Management: Concepts and Cases*. 2nd ed., PHI Learning Pvt. Ltd.
4. Roberts, G., 1998. *Law Relating to International Banking*. Woodhead Publishing.
5. Saita, F., 2010. *Value at Risk and Bank Capital Management: Risk Adjusted Performances, Capital Management and Capital Allocation Decision Making*. Academic Press.
6. Scott, S. H., 2005. *Capital Adequacy beyond Basel : Banking, Securities, and Insurance: Banking, Securities, and Insurance*. Oxford University Press.
7. Walker, A. G., 2001. *International Banking Regulation: Law, Policy, and Practice*. Kluwer Law International.

0201371: FOREIGN EXCHANGE AND FINANCING OF FOREIGN TRADE

Full Marks: 100

Introduction to Foreign Exchange Market

Marks: 8

Introduction; Organisation Structure of Forex Market; Foreign Exchange and Bank Deposits: Monetary Unit, Financial Markets; International Quotations: Two-way Spot Prices, Spread, Foreign Exchange Risk: Appreciation and Depreciation; Forex Markets: Spot and Derivatives Forex Market; Importance of Exchange Rates

Foreign Exchange Contracts

Marks: 12

Introduction; Derivative Market: Currency Futures, Currency Options, Currency Swaps; Forward Exchange Market; Types of Forward Contracts: Outright Forward Contract, Time (or Delivery) Option Forward Contract, Foreign Exchange Swap; Participants in Foreign Exchange Market: Government, Foreign Banks, Foreign Exchange Dealers and Brokers, Corporate Sector, Hedger, Speculators and Arbitrageurs

Currency Convertibility

Marks: 11

Introduction; Types: Current Account, Capital Account; Pre-requisite; Merits of Convertibility; Convertibility of Indian Rupee; Foreign Exchange Reserves; The Concept of Foreign Exchange Reserves; Composition of International Reserves; The Reserve Position of IMF; Special Drawing Rights

Currency Market

Marks: 16

Introduction; Salient Features of the Eurodollar Market: International Market, Under No National Control, Short-term Money Market, A Wholesale Market, A Highly Competitive and Sensitive Market; Factors Contributing to Growth of the Eurodollar Market: Balance of Payment Deficit of USA, Banking Regulation in USA, Innovative Banking, Supply and Demand, Supply of Petrodollars, The Suez Crisis, Relaxation of Exchange Controls and Resumptions of Currency Convertibility, Political Factor; Operation and Effects of Euro-Dollar Currency Market, Problems Created by Euro-Currency Market, Segments of Euro-Currency Market: Euro Credits, Euro Bonds, Euro Currency Deposits; Currency Areas; Currency Area and Common Currencies Cause; Introduction of European Monetary Union; International Financial Integration with Respect to European Union

Effect on Money Stock and Exchange Rate Theories

Marks: 11

Introduction; Money Identity; Money Market Identity: Liquidity Shortage, Significance of the Liquidity Shortage; Exchange Rate Theories: Purchasing Power Parity, Interest Rate Parity; Balance of Trade; Balance of Payments; Factors Affecting Balance of Payments: Export of Goods and Services, Imports of Goods and Services; Current Account, Capital Account and Trade Account in BOP

Financing of Foreign Trade and Export Working Capital Financing

Marks: 12

Introduction; Methods of Payment in International Trade: Cash-in-Advance, Letters of Credit, Documentary Collections, Open Account, Export Working Capital Financing; Pre-shipment Credit; Post-shipment Credit; Exchange Rate System: Fixed Exchange Rates, Floating or Flexible Exchange Rates; Introduction to FERA; Introduction to FEMA: Authorised Person, Currency, Currency notes, Indian Currency, Capital Account Transaction, Import, Export, Current Account Transaction

Export Working Capital Financing

Marks: 14

Introduction; Transaction Short-term Loans or Revolving Lines of Credit; Government Guaranteed Export Working Capital Loan Programs: SBA's Export Working Capital Program, Exim Bank's Export Working Capital Program; Export Credit Insurance: Coverage, Private-Sector Export Credit Insurance, Exim Bank's Export Credit Insurance; Buyer's Credit: Salient Features of Buyer's Credit, Procedure Flow - Detailed Steps Involved, Information Required for Credit Appraisal; Role of ECGC: Need for Export Credit Insurance, Major Products and Services Offered by ECGC; Role of EXIM Bank: Forms of Financial Assistance Provided by EXIM Bank to Indian Companies, Financial Assistance Provided by EXIM Bank to Overseas Companies

Export Factoring and Foreign Exchange Risk Management

Marks: 16

Introduction; Mechanism of Factoring; Types: Recourse and Non-recourse, Advance and Maturity, Conventional or Full, Domestic and Export, Limited, Selected Seller Based, Disclosed and Undisclosed; Export Factoring: Working of Export Factoring, Two Common Export Factoring Financing Arrangements and Their Costs, Limitations of Export Factoring; Foreign Exchange Risk Management: FX Risk Management Options, FX Forward Hedges, FX Options Hedges; Government Assisted Foreign Buyer Financing: Key Common Features of Exim Bank's Loan Guarantees and Direct Loans, Key Features of Exim Bank Loan Guarantees, Key Features of Exim Bank Direct Loans; Forfaiting: How Forfaiting Works, Cost, Three Additional Major Advantages, Forfaiting Industry Profile

Reference Books:

1. Baillie, T., R. and McMahon, C. P., 1990. *The Foreign Exchange Market: Theory and Econometric Evidence*. Cambridge University Press.
2. Baker, C. J., 2003. *Financing International Trade*. Greenwood Publishing Group.
3. Chandra, P., 2005. *Fundamentals of Financial Management*. Tata McGraw-Hill Education.
4. Pathak, V. B., 2011. *The Indian Financial System: Markets, Institutions and Services*. Pearson Education India.
5. Quirk, J. P., 1988. *Policies for Developing Foreign Exchange Markets*. International Monetary Fund.