

RANI CHANNAMMA UNIVERSITY, BELAGAVI.

Department of Post Graduate Studies and Research in Commerce



Syllabus of Master of Commerce

(With effect from Academic Year 2017-18)

IV Semester

M.Com Course Structure

Sem	Paper Code	Course	IA Marks	Sem End Marks	Total	Hrs/Week	Credits	
III	3.1	Business Research Methods	20	80	100	04	04	
	3.2	International Financial Management	20	80	100	04	04	
	Group- A : Accounting and Finance							
	3.3 A	Financial Markets and Institutions	20	80	100	04	04	
	3.4 A	Corporate Accounting	20	80	100	04	04	
	3.5 A	Accounting for Specialised Institutions	20	80	100	04	04	
	Group- B: Cost Accounting							
	3.3 B	Production and Operation Management	20	80	100	04	04	
	3.4 B	Cost Management	20	80	100	04	04	
	3.5 B	Cost Accounting Standards	20	80	100	04	04	
	Group – C: Banking							
	3.3 C	Bank Marketing	20	80	100	04	04	
	3.4 C	Banking in India	20	80	100	04	04	
	3.5 C	Management Accounting for Bankers	20	80	100	04	04	
	Open Elective Course							
	3.6	To be chosen from the other Department	20	80	100	04	04	
		Open Elective Course meant for other Departments - Personal Financial Planning	20	80	100	04	04	
Total Marks/Credits			120	480	600	24	24	
IV	4.1	E-Commerce	20	80	100	04	04	
	4.2	International Business	20	80	100	04	04	
	4.3	Project Report	50	50	100	04	04	
	Group A: Accounting and Finance							
	4.4 A	Security Analysis and Portfolio Management	20	80	100	04	04	
	4.5 A	Innovations in Accounting	20	80	100	04	04	
	4.6 A	Mutual Funds	20	80	100	04	04	
	Group- B: Cost Accounting							
	4.4 B	Techniques of Costing	20	80	100	04	04	
	4.5 B	Strategic Cost Management	20	80	100	04	04	
	4.6 B	Recent Developments in Cost Accounting	20	80	100	04	04	
	Group – C: Banking							
	4.4 C	Foreign Exchange and Risk Management	20	80	100	04	04	
	4.5 C	Financial Management in Commercial Banks	20	80	100	04	04	
4.6 C	Fund Management in Commercial Banks	20	80	100	04	04		
Total Marks/Credits			150	450	600	24	24	

IV SEMESTER
Course 4.1 – E-Commerce

Objective: To equip students to assess e-commerce requirements of a business and develop e-business plans and to interact with various IT professionals who may be developing e-commerce applications.

Unit-I: Introduction to E-commerce: Meaning and Concept of E-Commerce, Business Model for E Commerce; Features of E-Commerce; Element of E-Commerce; Benefits and Limitations of E-Commerce; Types of E-Commerce System; B2B, B2C, C2C, C2B, B2G and G2C. Internet Concept and Technologies: History of Internet; Ways to connect to the Internet; Internet Accounts; Public and Private Network; Applications of Internet.

Unit-II: Electronic Payment systems: Features of an ideal electronic payment system; Types of an Electronic Payment System-Credit Cards, Debit Cards, Smart Cards, E-Money, E-Check and Electronic fund transfer(EFT), Need of security in E-Commerce; Essential security requirements for safe electronic payments; Security Schemes for an Electronic Payment Systems- Encryption, Digital Signature, Security Certificates.

Unit-III: Business to Consumer E-Commerce: Introduction to B2C E-Commerce; Products in B2C Model; Consumers shopping procedure on the Internet; Role of E-Brokers; Broke Based Service on line; On-line Travel and Tourism Service; on-line Stock Trading; on line Banking; On-line Financial Services; E-Auctions.

Unit-IV: Business-to-Business E-Commerce: Introduction to B2B E-Commerce; Marketing issue in B2B; Key Technologies for B2B E-Commerce; Electronic Data Interchange, Internet, Intranet, Extranet, Integration with Back-end Information System.

Unit-V: Accounting Software and E-Commerce: Need for Accounting Software and software types- Tally 10 SAP.

Suggested Readings:

- 1 Joseph P T, E-Commerce- A Managerial perspective, PHI, New Delhi.
- 2 Krishnamurthy Sandeep, E-Commerce Management, Vidya Vikasa publication.
- 3 Laudon, Kenneth C. and Carol Guercio Traver (2002) E-commerce: business, technology, society. (New Delhi : Pearson Educatin).
- 4 Awad, Elias M. (2007), Electronic Commerce: From Vision to Fulfillment (New Delhi : Pearson Education).
- 5 Kalakota, Ravi and Marcia Robinson (2001). Business 2.0: Roadmap for Success (new Delhi : Pearson Education).
- 6 Smith, P.R. and Dave Chaffey (2005), eMarketing eXcellence; The Heart of eBusiness (UK : Elsevier Ltd.)

Course 4.2 - International Business

Objective: To expose the students to the different dimensions of international business and its environment.

UNIT – I: International Business : Definition, nature, approaches, Problems of international business International Economic Environment, International trade policies and relations , tariffs, subsidies, import quota, voluntary export restraints, administrative policies.

Unit –II: Multinational Corporations: Definition, Distinction among I.C., M.N.C., G.C. etc. Factor contributing to growth of multinationals – criticism on multinationals

Unit III: International Trade Theories - Mercantilism, Absolute Advantage, Comparative Advantage, Heckscher-Ohlin Theory, Product Life-Cycle Theory, New Trade Theory, National Competitive Advantage, Global competitive Alignment matrix, mapping competitive shift.

UNIT- IV: Modes of International Business: Exporting, licensing, Franchising Contracts- contracts of manufacturing, management contracts Turnkey projects, mergers, acquisitions, Joint ventures Market entry strategies International marketing channels, Export policies – export import procedure

UNIT V: World Trade Organization and Trade Blocks: Economic Integrations – free trade area, custom unions, common markers, economic unions EEC, ASEAN, SAARC, SAFTA, Liberalization of agriculture trade.

Suggested Readings:

- 1 International Business by Francis Cherunilam, Oxford University press.
- 2 International Business: Text and Cases by P Subba Rao, Himalaya publishing House.
- 3 International Business by K Ashwathappa, Tata Mc Graw Hill Publication.
- 4 International Business by Justin Paul, PHI Publication.
- 5 International Business Environment and Management by V K Balla and S Shivarama, Anmol Publication Pvt., Ltd.

Course 4.3 - Project Report

GROUP A: ACCOUNTING AND FINANCE

Course: 4.4 A – Security Analysis and Portfolio Management

Objective: The objective of the course is to establish a conceptual frame work for the study of security analysis and portfolio management.

Unit I: Introduction: Investment - Nature and Scope of Investment - Objectives of Investment – Investment and Speculation – Process of Investment, Investment Planning and Investment Alternatives.

Unit II: Security Analysis: Fundamental Analysis - Economic Analysis, Industry Analysis and Company Analysis; Technical Analysis; Efficient Market Theory; Analysis of Risk and Return of Securities; Valuation of Equities and Bonds.

Unit -III: Capital Market Theory: Capital Market Theory – Assumptions - Capital Asset Pricing Model – Efficient Frontier With Riskless Lending and Borrowing – Capital Market Line – Security Market Line ; Arbitrage Pricing Theory - Limitations of APT Model.

Unit IV: Portfolio Analysis - Portfolio Construction - Analysis of Portfolio Risk and Return; Diversification of Risk, Combining Risks and Riskless Securities; Markowitz Diversification - Mean - Variance Analysis; Leveraged Portfolio, Sharpe Index Model.

Unit-V: Portfolio Evaluation and Revision : Meaning and Need for Portfolio Evaluation – Measuring Portfolio Return - Risk Adjusted Measures - Sharpe’s Reward to Variability, Treynor’s Volatility Ratio, Jensen’s Differential Return; Portfolio Revision - Meaning and Need for Revision - Techniques of Portfolio Revision.

Suggested Readings:

1. Fischer Donald E. and Ronald J. Jordan, “Security Analysis and Portfolio Management”, 6th Edition Prentice Hall of India, 2007.
2. Frank K. Reilly and Keith C. Brown, “Investment Analysis and Portfolio Management”, 8th Edition, Thomson, 2007.
3. Sharpe William F, and Bailey Jeffery V, Alexander Gordon J, “Investments”, 6th Edition, Prentice Hall of India, 1995.
4. V.K. Bhalla: Investment Management, S. Chand & Company, New Delhi.
5. Prasanna Chandra: Investment Analysis and Portfolio Management Tata McGraw Hill, New Delhi, 2008
6. Kevin S: Security Analysis and Portfolio Management, Prentice Hall.
7. Punithavathy Pundian: Security Analysis & Portfolio Management, Vikas Publications.
8. Avadhani V.A: Investment and Securities Market in India, Himalaya Publications.

Course: 4.5 A - Innovations in Accounting

Objectives: To enable the students equip with the current unresolved issues in Accounting

Unit I- Inflation Accounting: Limitations of historical cost accounting; meaning, objectives and methods of accounting of inflation- current purchasing power and current cost accounting methods; guidance note of ICAI on price level accounting.

Unit II- Human Resource Accounting: Need and significance of HRA, Meaning and issues involved; methods for valuation of human resources; HRA practices in India.

Unit III - Social and Environmental Accounting: Meaning, objectives and significance of social accounting; social cost and benefit analysis; social accounting practices of Indian companies; environmental accounting- meaning, objectives, significance and difficulties involved in environmental accounting; methods of accounting of environmental effects; shadow pricing; environmental management accounting.

Unit IV- Accounting for Intangibles: Meaning and significance of intangibles; difficulties involved in valuation by IFRS; Indian GAAPs – Meaning, objectives and importance of brand valuation and accounting; methods of brand valuation and accounting; brand equity methods, organizational capital-meaning and importance of organizational capital; measuring organizational capital; intellectual capital v/s organizational capital.

Unit – V Creative Accounting: Meaning and definitions of creative accounting motivations, techniques and effects of creative accounting, ethical issues involved in creative accounting; detecting and control of creative accounting; forensic accounting-meaning, objectives and role of forensic accounting in control of creative accounting.

Suggested Readings:

- 1 S.N. Maheshwari, advanced Accounting, Vol II, Vikas, New Delhi.
- 2 Jain and Narang , Accounting Theory , Kalyani, New Delhi.
- 3 Jawahar Lal and Lele, Accounting, Theory, Himalaya , Bombay.
- 4 R. Narasimhan, Financial Accounting: An integrated Approach. PHI, New Delhi.
- 5 Vithal and Sharma, Accounting for Management , Macmillan. Bangalore.
- 6 Estes Ralph, Corporate Social Accounting, John Willey, New York Ghosh P.K. Maheshwari G.C. AND Goyal R.N., studies in Accounting Theory Wiley Eastern Ltd., New Delhi.
- 7 Collin Drury - Management and cost accounting and Thomson Publications, New Delhi.
- 8 Ravi M. Kishore - Advanced cost accounting and cost systems, Taxmann Publications, New Delhi.
- 9 Maheshwari S. N - Advanced cost accounting Sultan Chand New Delhi.
- 10 Cooper R. Kalpan C.R.S - The design of cost management systems, Text Cases and readings prentice Hall 1991.

Course 4.6 A: Mutual funds

Objectives: To familiarise the students about Mutual Funds.

Unit I: Concept and Role of a Mutual Fund: Meaning, Definition, Structure of mutual funds industry in India. Management of Investor's Money, role of the AMC, role of a Registrar and Transfer Agents, procedure for investing in an NFO, investor's rights and obligations, Types of Funds, Key Developments over the Years, Legal Structure of Mutual Funds in India, Key Constituents of a Mutual Fund Investment, Restrictions for Schemes Investors' Rights & Obligations AMFI Code of Ethics, Code of Conduct for Intermediaries, Offer Document.

Unit II: Investor Services; KYC Requirements for Mutual Fund Investors, PAN Requirements for Micro-SIPs, Additional Documentation Requirements applicable for Institutional Investors, Demat Account, Transactions through the Stock Exchange Investment Plans and Services.

Unit III: Return, Risk and Performance of Funds: Drivers of Returns in a Scheme, Measures of Returns, Drivers of Risk in a Scheme, Quantitative Measures of Fund Manager Performance, Scheme Selections, Scheme Categories, Sources of Data to track Mutual Fund Performance.

Unit IV: Mutual Funds Products and Features - Open ended and close ended Funds, Equity Funds, and Index Funds. Diversified Large Cap Funds, Midcap Funds, Sectoral Funds, Debt Funds, Liquid Funds, Hedge Funds, Index Funds, Exchange Traded Funds (ETFs). Arbitrage Funds, Monthly Income Plans (MIP), Fixed Maturity Plans (FMP), Capital Protection Oriented Schemes.

Unit V: Taxation and Regulations: Mutual Fund Tax Provisions, Compounding Wealth, Gross Tax, Dividend Payout and Growth Options within Schemes, Double Indexation, Setting off and Carry Forward of Losses, Dividend Stripping, Capital Gains Taxation.

Suggested Readings:

1. Jacobb, B. (1994) "All about Mutual Funds", Probus Publishing Company.
2. Jain, Amit (2000) "Mutual Funds- Trends and Features", Chartered Secretary, Vol. XXX (12) December, pp. 1528-30. 155
3. Jayadev, M. (1998) "Investment Policy and Performance of Mutual Funds" Kanishka Publishers, Distributors, New Delhi.
4. Raymond Vemon-Manager in the International Economy, Louis T Wells Jr. Prentice Hall, 1987.
5. David H. Blake- The Politics of Global Economic Robert S. Walters Relations, Prentice Hall, 1987.

GROUP B – COST ACCOUNTING
Course: 4.4 B - Techniques of Costing

Objectives: To teach the various techniques of cost accounting

UNIT-I Marginal costing and cost – volume – profit Analysis : Basic Steps/Formulae; Effects of change in cost volume and price; key factors (with no sales mix), sales mix (with key factor), sales mix (with no key factor), sales mix (with multiple key factor); cost in difference point, break- even analysis, profit volume charts, merging the two plants/ companies

UNIT-II Budgetary Control-meaning and objectives budget, budgeting and budgetary control; pull requisites of budgeting process-budget period, budget committee and budget facts classification and preparation of functional and master budgets; cash budget; fixed and flexible budgeting process; performance, programme and zero-base budgeting methods; advantages application limitations of budgeting.

UNIT-III Standard Costing – meaning objectives and significance of standard costing, industries application; budgetary control v/s standard costing; prerequisites of standard costing-standard committee; types and fixation of standard costs; analyses of variance-material, labour overhead, sales and profit variances; reconciliation of profits; disposal and accounting treatment of variances; investigation of variances; reporting of variances

UNIT-IV Transfer Pricing- meaning, objectives and importance of transfer pricing; transfer pricing methods-external market price, negotiated transfer prices; standard v/s actual costs; choosing right transfer pricing method; tax issues in transfer pricing; transfer pricing in the service industry

UNIT-V Uniform costing and inter firm comparison: - Application of uniform costing system; objectives of uniform costing system; advantages and limitations; pre – requisites of uniform costing system; requirements of good uniform costing system; nature and scope of uniform cost plan; uniform cost manual. Inter firm comparison – purpose and problems of IFC, requirements of IFC scheme, ratios and IFC, advantages and limitations of IFC

Suggested Readings:

1. Vashist and Saxena, Advanced Cost and Management Accounting, Sultan Chand and sons.
2. Jain and Narang, Advanced Cost Accounting, Kalyani.
3. Arun Prasad Roy Chowdhury, etal; Cost and Management Accountancy, New Central Book Agency.
4. Horngren, Cost Accounting; A Managerial Emphasis, PHI.
5. Prasad. N.K, Principles and Practice of Cost Accounting, Book Syndicate.
6. ICWA Publications on application of costing principles in different industries.
7. Jawaharlal, Cost Accounting, TMH
8. Khan and Jain, Theory and Problem of Management and Cost Accounting, TMH.
9. Nigam and Sharma, Cost Analysis and Control Management Approach, HPH.
10. ICWA, Calcutta, Advanced Cost and Management Accountancy Methods, Techniques and Applications.

Course: 4.5 B - Strategic Cost Management

Objective: To teach the various techniques of costing which play and strategic role in cost management

UNIT-I Activity based costing: Inadequacies of traditional methods of overhead absorption, concept of ABC, Kaplan and Cooper's approach to ABC, cost drivers and cost pools, main activities and its cost drivers, allocation of overhead under ABC-characteristics, steps, implementation and benefits of ABC system.

UNIT-II Learning Curve Model: Concept and phases of learning curve, graphical representation, learning curve applications and factors affecting curve, experience curve.

UNIT-III Life cycle costing: Concept and characteristics, activities and phases in product life cycle short product and extension of product life cycle, Turning Point Indices in product life cycle.

UNIT-IV Just in time approach: Concept, philosophy of JIT, sources of waste, aims and objectives of JIT, features and methodology in implementation of JIT, planning for adoption and limitations of JIT costing.

UNIT V- Divisional Performance Analysis: Decentralized organizations and responsibility centers; cost centre, revenue centre, profit centre and investment centre; meaning and importance of responsibility accounting; measuring the performance of investment centre; ROI, residual income and EVA methods; measuring income and invested capital, issues involved in divisional performance evaluation; rewarding performance of managers

Suggested Readings:

- 1 Horngern, et al., Introduction to Management Accounting PHI, New Delhi.
- 2 Kaplan and Aatkinson, Advanced, Taxman Publications, New Delhi.
- 3 Ravi M.K. Krishore, Advanced Management Accounting, Taxman Publications, New Delhi.
- 4 Babhatosh Banarjee, Cost Accounting, World Press, Calcutta.
- 5 N.K. Prasad, Cost Accounting, Book Syndicate, Calcutta.
- 6 Horngren, Foster and Dater, Cost Accounting: A Managerial Emphasis, PHI, New Delhi.
- 7 Edward Blocher, Cost Management: A Strategic Emphasis, TMH, New Delhi.
- 8 Hilton, Cost Management TMH, New Delhi.
- 9 Govindraju, et al., Strategic Cost Management, Free Press, Calcutta.
- 10 Jain and Narang, Advanced Cost Accounting, Kalyani, New Delhi.
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- 12

Course: 4.6 B - Recent Development in Cost Accounting

Objectives: To familiarise the students with recent development in cost accounting

UNIT I-Target Costing: Definition and meaning of target costing, steps in target costing methodology, target costing approach to product pricing methods of establishment of target costs.

UNIT II- Backflush Accounting: Definition and meaning, problems, advantages, variants of backflush accounting.

UNIT III- Throughput Accounting: Meaning and definition, basic concepts, traditional product costing and throughput accounting (TA), distinction, bottlenecks and overhead attribution.

UNIT IV- Resource Consumption Accounting: Definition and meaning, methodology in implementations of RCA, advantages of RCA, difficulties in implementation of RCA

UNIT V- Lean System: Meaning of lean thinking, steps in lean thinking, lean production system, meaning of lean management accounting, advantages of lean management accounting.

Suggested Readings:

1. Ravi. M. Kishore, Cost Management, Taxman, Allied Services (p) Ltd.,
2. S.K.R. Paul, Management Accounting, New Central Book Agency Private Ltd., Calcutta.
3. Charles T. Horngren, George Foster, Srikant M. Data, Cost Accounting: A Managerial Emphasis, Prentice Hall of India, New Delhi.
4. Roger Cowe, Hand Book of Management Accounting, A Grower Handbook.
5. S. Mukherjee & A.P. Roychowdhury, Advanced Cost and Management Accountancy, New Central Book Agency, Calcutta.
6. Anthony R.N, Management Accounting Principles, Grawin Publishing.
7. Batty J, Mc Donald & Evans, Management Accountancy, London.
8. Bierman H & Drabin A.R, An Introduction Managerial Accounting, McMillan Company, New York.
9. Broad H.W & Carmichael K.S, A Guide to Management Accounting, HFL (Pub) Ltd., London.
10. Brown & Haward, Mac Donald , Evans, Principles of Management Accountancy, London.
11. De Pauls, Management Accounting in Practice, F.C. Europe Pub. Ltd., London.
12. Keith Ward, Strategic Management Accounting, Butterworth Heirmann Pub.
13. John K. Shank, Cases in Cost Management: A Strategic Emphasis, South-Western Publishing, Thomson Learning..

GROUP- C BANKING

Course: 4.4 C- Foreign Exchange and Risk Management

Objective: To familiarise the students about the various risks involved therein.

Unit I: The foreign exchange market: Organisation of the foreign exchange market, the spot market, forwards market, the relationship between forward rate and future spot rate. The determination of exchange rates: setting the equilibrium spot exchange rate, equilibrium approach to exchange rates, the fundamentals of central bank intervention.

Unit II: Measuring accounting exposure: Alternative currency translation methods, statements of financial accounting standards transaction exposure, accounting practice and economic reality.

Unit III: Measuring economic exposure: Managing transaction exposure, designing application hedging strategy.

Unit IV: Measuring economic exposure: Foreign exchange risk and economic exposure, economic consequences of exchange rate changes, identifying economic exposure, and operational measure of exchange risk.

Unit V: Management of economic exposure: An overview of operating exposure management, marketing management of exchange risk, production management of exchange risk, financial management of exchanges risk.

Suggested Readings:

1. Shapiro A.C., Multinational Financial Management, PHI, New Delhi.
2. Rodriguez R.M., and Carter E.E., International Financial Management, PHI, New Delhi.
3. Jan Giddy, Global Financial Markets, AITBS, New Delhi.
4. Bhole L.M., Financial Institutions and Markets, TMH, New Delhi.
5. C.Jeevanandam, Foreign Exchange, Sultan Chand and Sons, New Delhi.
6. Jain, International Financial Management, Macmillan, New Delhi.
7. Cheol Eu., International Financial Management, TMH, New Delhi.
8. Rahwade Application V., Foreign Exchange and International finance, Academy of Business Studies, New Delhi.
9. Apte P.G., International Financial Management, TMH, New Delhi.
10. Richard M.Levich, International Financial Markets, TMH, New Delhi

Course: 4.5 C - Financial Management in Commercial Banks

Objective: To familiarize the students about the policies and practices followed by bank in financial management, capital structure management, Asset & Liabilities management, mergers & acquisitions.

Unit I :Fundamentals of financial management in Banks: Meaning and objectives of financial management, role and functions of financial manager, value of the banking firm, value maximization principle market value vs. book value, implementing value maximization principle, hexagram of bank financial management, managing value and bank strategic planning.

Unit II: Bank Capital structure and financing: Management of Bank's equity capital position, bank lending policies and procedures, lending and their pricing, optimal bank capital and value of the banking firm.

Unit III: Asset-liability management in banks: Role and objectives of asset liability management, two faces of AIM: accounting and economic perspectives, determining and measuring interest rates and controlling application bank's interest gap, net interest margin and its decomposition, effects of rate, volume and mix on net interest margin and revenue, interest sensitivity and gap management, building blocks of asset-liability management, measuring and evaluating bank's performance.

Unit IV: Management of bank portfolio risk: Bank portfolio allocation and risk management, risk, return tradeoffs in banking and diversification, techniques of liquidity risk, investment portfolio risk, interest rate risk and credit risk, concept of duration and managing bank's duration gap, financial futures, options, swaps, risk arbitrage, asset portfolio diversification, off-balance sheet financing in banking and credit derivatives, liquidity and reserve management strategies.

Unit V: Bank mergers and acquisition: Merger activity in banking, takeovers and restructuring activities, bank divestitures, managing the acquisition process, hostile takeovers in banking, hypotheses for bank mergers, cost-benefit framework for analyzing bank mergers and acquisitions, valuation models.

Suggested Reading:

1. J.F.Sinkey, Commercial Bank Financial Management, Macmillan Publishing Co., New York.
2. I.M.Pandey, Financial Management, Vikas, New Delhi.
3. Van Horne, Financial Management and Policy, PHI, New Delhi.
4. Khan and Jain, Financial Management, TMH, New Delhi.
5. G.F.Hampton, Financial Decision making, PHI, New Delhi.
6. Pamela P. Peterson, Financial Management and Analysis, TMH, New Delhi.
7. Erich Helfert, Techniques of Financial Analysis, TMH, New Delhi.

Course: 4.6 C - Fund Management in Commercial Banks

Objectives: To give insights to the students about the concept of fund and its management practice with respect to Banking Organizations.

Unit-I: Nature and Scope of Fund Management – Allocation of funds – Misallocation of funds Based on Committee Norms – Management of capital Funds in Commercial Banks; Meaning and function of capital funds; Necessity of adequate capital funds; Standard to measure capital adequacy; Present position in India with respect to capital adequacy.

Unit-II: Liquidity Management - Commercial Funds and Asset Liability Management. Theories of liquidity Management; Priorities in the employment of bank funds; Problems in resource allocation in India. Management of capital Funds in Commercial Banks; Meaning and function of capital funds; Necessity of adequate capital funds; Standard to measure capital adequacy; Present position in India with respect to capital adequacy.

Unit-III: Management of Reserves: Nature and purpose of primary reserves; Legal reserves-nature and function; Working reserve-nature and function; cash management in commercial banks. Secondary Reserves: Nature and function of secondary reserves; factors influencing secondary reserves; Estimation and management of secondary reserves.

Unit-IV: Management of Bank Deposits: Relevance of marketing approach to deposit mobilization in banks; Concept of bank marketing; Formulating marketing strategies for commercial banks-opportunity analysis, target market, competitive positioning; Implementing marketing strategy.

Unit-V: Management of Bank Loans: Characteristics of commercial loans: Loan policy in a commercial bank, evaluating loan application - credit information, credit analysis, credit decision; Priority sector lending policies of commercial banks in India. Management of Bank Investments: Nature and principles of security investment of commercial banks; formulating investment policy; Volume and pattern of investment of commercial banks in India.- Structure and pattern of income and expenditure in commercial banks in India.

Suggested Readings:

- 1 Cates David, "Liquidity Lessons for the '90s" Bank Management April 1990
- 2 Matten Chris, Managing Bank Capital, New York, John Wiley & Sons 1996
- 3 Neelam C. Gulati 'Principle of Banking Management' Excel Books, New Delhi 2010
- 4 P. Subba Rao,"Principles and Practices of Bank Management, Himalaya Publishing House, Bombay 1988.
- 5 Jadhav, Narendra: Challenges to Indian Banking ed. Macmillan, New Delhi
- 6 Sinkey, Joseph F, Jr: Commercial Banks Financial Management, Prentices Hall Delhi.
- 7 S. Singh Yogesh Singh, Risk Management in Banks, Excel Books, 2008
- 8 Bharati V. Rathok, Indian Financial System, Pearson Edn, 2006.