C P PATEL AND F H SHAH COMMERCE COLLEGE, ANAND
(AUTONOMOUS)

(Managed by Sardar Patel Education Trust, Anand)

(Affiliated to Sardar Patel University, Vallabh Vidyanagar)

NAAC Reaccredited CGPA – 3.30 – Grade A+

Revised Syllabus as per NEP 2020 with effect from the Academic Year 2026-2027

Bachelor of Commerce (BCOM)
Semester – I

Course Code	**UB1MICOM05**	**Title of the Course**	**BANKING & FINANCE– I (PRINCIPLES OF BANKING & FINANCE)**
Total Credits	**04 Credits**	**Hours per Week**	**04 Hours / Week**

Course Learning Outcomes (CLOs)	
CLO 1	Describe the origin, evolution, and structure of banking globally and in India; differentiate between scheduled and non-scheduled banks and classify public, private, cooperative, regional rural, and foreign banks, explaining their roles in economic development.
CLO 2	Explain and apply the primary and secondary functions of commercial banks—deposit acceptance, loans and advances, credit creation, agency and utility services—using principles of sound lending and customer relationship management to evaluate simple loan proposals and operational risks.
CLO 3	Explain the functions, organisation, and policy instruments of the Reserve Bank of India (including quantitative and qualitative credit controls), and analyse the RBI's roles as issuer of currency, banker's bank, lender of last resort, and promoter of financial inclusion and economic development.
CLO 4	Demonstrate knowledge of banking technologies (CBS, ATMs, internet/mobile banking), electronic payment systems (NEFT, RTGS, IMPS, UPI), digital wallets, payment banks and FinTech innovations; assess cybersecurity and regulatory challenges and propose practical, ICT-enabled solutions for secure, inclusive digital banking.

Course Content		
Unit No.	**Description**	**Weightage (%)**
1.	**EVOLUTION AND STRUCTURE OF THE BANKING SYSTEM:** • Meaning, Nature and Importance of Banking • Origin and Evolution of Banking • Development of Banking in India • Structure of the Indian Banking System • Scheduled and Non-Scheduled Banks • Public Sector Banks • Private Sector Banks • Cooperative Banks and Regional Rural Banks • Foreign Banks in India • Role of Banking in Economic Development • Recent Trends in the Indian Banking Sector	**25%**
2.	**FUNCTIONS OF COMMERCIAL BANKS:**	**25%**

	• Meaning and Functions of Commercial Banks • Primary Functions of Banks • Accepting Deposits • Granting Loans and Advances • Credit Creation Process • Secondary Functions of Banks • Agency Functions • Utility Functions • Principles of Sound Lending • Customer Relationship Management • Modern Banking Services	
3.	**CENTRAL BANKING AND RBI FUNCTIONS:** • Meaning and Functions of the Central Bank • Evolution of the Reserve Bank of India • Organisation and Management of RBI • Monetary Policy of the RBI • Quantitative and Qualitative Credit Control Methods • Issue of Currency • Banker to Government • Banker's Bank and Lender of Last Resort • RBI and Financial Inclusion • RBI's Role in Economic Development	**25%**
4.	**BANKING TECHNOLOGY AND DIGITAL PAYMENTS:** • Introduction to Banking Technology • Core Banking Solutions (CBS) • ATM, Debit Cards and Credit Cards • Internet Banking and Mobile Banking • Electronic Payment Systems • NEFT, RTGS, IMPS and UPI • Digital Wallets and Payment Banks • FinTech and Digital Banking Innovations • Cyber Security in Banking • Challenges and Future of Digital Banking	**25%**

Teaching – Learning Methodology
The course will be taught through learner-centred and activity-based teaching methods to enhance conceptual understanding and practical managerial skills. The methodology will include: • Interactive Lectures • ICT-enabled Teaching and Learning • Case-based Learning • Group Discussions • Experiential Learning • Project-based Learning • Problem-solving Exercises

- Industry-oriented Practical Discussions

Examination Evaluation Pattern		
Sr. No.	**Particulars**	**Weightage (%)**
01	Continuous and Comprehensive Evaluation (CCE) (Formative Assessment)	50%
02	Semester End Evaluation (SEE) (Summative Assessment)	50%
	TOTAL	**100%**

Specifications for CCE and SEE			
Sr. No.	**Details of the Evaluation Pattern**		**Marks**
01	Continuous and Comprehensive Evaluation (CCE) (Formative Assessment)		
	A	Assignments	10
	B	Active Learning Activities	05
	C	Attendance	05
	D	Written Examination (01 Hour)	30
		(A + B + C + D)	50 Marks
02	Semester End Evaluation (SEE) (Summative Assessment)		
	E	Written Examination (02 Hours)	**50 Marks**
		TOTAL (For 04 Credit Courses)	**100 Marks**

Rubrics – Based Assessment for Assignments (10 Marks)		
Excellent	09 – 10 Marks	Accurate, error-free, logically presented, and timely submission
Good	07 – 08 Marks	Minor errors and good conceptual clarity
Average	05 – 06 Marks	Basic understanding or partially correct
Basic	03 – 04 Marks	Limited clarity, noticeable mistakes, incomplete content
Poor	01 – 02 Marks	Inadequate conceptual clarity, incorrect content
Below Poor	Zero Marks / NA	Content is irrelevant / Not Attempted / Not Submitted

Note:
- Assignments may be taken in the form of a written project, computerised and online suggested courses/certificates as per the decision made by the respective faculties of the courses.

Rubrics – Based Assessment for Active Learning Activities (05 Marks)		
Excellent	05 Marks	The explanation is clear, detailed, and covers all keys
Good	04 Marks	Good conceptual clarity, minor details may be missing
Average	03 Marks	Basic explanation or partially correct
Basic	02 Marks	Limited clarity, noticeable mistakes, and a lack of depth
Poor	01 Mark	Poorly presented or not understandable
Below Poor	Zero / NA	Content is irrelevant / Not Attempted / Not Submitted

Note:
- Active Learning Activities may be taken in the form of classwork, viva, oral presentations, PowerPoint presentations, role play, collaborative problem solving, debates, group discussions, online tests, Q&A, case studies, etc., as per the decision made by the respective faculties of the courses.

Rubrics – Based Assessment for Attendance (05 Marks)		
As per the Rules and Regulations provided by the Academic Section of Sardar Patel University, Vallabh Vidyanagar, for the students studying in all departments and colleges. Reference No.: E – 3 / 3127; dated: 07-03-2024. https://www.spuvvn.edu/orbit-cdn/uploads/circulars/Circular-NEP-InternalExamMarks-March-April24.pdf		
Excellent	05 Marks	more than 90% (Minimum 54 Hours for 04 Credits Courses)
Good	04 Marks	80% - 89% (48 to 53 Hours for 04 Credit Courses)
Average	03 Marks	70% - 79% (42 to 47 Hours for 04 Credit Courses)
Poor	Zero / NA	Less than 70% (**NOT ELIGIBLE TO APPEAR FOR EXAM)**
Note: • Students with below 70% attendance must submit their written application to their respective class coordinators with genuine reasons and evidence (in case of working or medical emergencies). Students must not pursue dual-degree programmes that clash with the college's timings.		

Rubrics – Based Assessment for Mid-Semester Examination (30 Marks)		
ANY TWO UNITS OR 50% OF THE SYLLABUS - 15 Marks Each Question		
Excellent	13 – 15 Marks	Comprehensive, accurate, and insightful answer. Covers relevant syllabus content (evolution/structure, commercial bank functions, RBI roles, digital payments) with correct terminology, sound analysis, valid examples or case linkage, correct calculations/diagrams, and excellent presentation.
Good	10 – 12 Marks	Clear and mostly complete answer. Covers major points with minor omissions/errors; sound organisation; modest analysis and appropriate examples; small calculation or expression errors.
Average	07 – 09 Marks	Satisfactory but superficial. Basic points present, several omissions, limited analysis/application, calculation/diagram errors, moderate presentation issues.
Basic	04 – 06 Marks	Fragmented answer with weak grasp of the topic: key concepts missing or confused, limited or incorrect application, poor structure and many errors.
Poor	01 – 03 Marks	Inadequate response with major conceptual errors, irrelevant content, or incoherent presentation.
Below Poor	Zero Marks / NA	Not attempted or completely irrelevant.
Note: • Written Examination questions will be based on various levels of Revised Bloom's Taxonomy.		

Rubrics – Based Evaluation Pattern for End-Semester Examination (50 Marks)		
Multiple Choice Questions (10 Marks) – 01 Mark Each from all Units		
Excellent	01 Mark	The chosen option is correct, with no errors in the response
Below Poor	Zero Marks / NA	Chosen option is incorrect, completely irrelevant, multiple options chosen / Not Attempted
UNIT I - 10 Marks Each Question		
Excellent	09 – 10 Marks	Addresses all major topics (meaning, nature, importance,

		origin, historical phases, development in India, current structure) with depth; logical intro and conclusion; includes clear timeline or structure diagram; terminology accurate; minor or no factual gaps.
Good	07 – 08 Marks	Covers most major topics with reasonable detail; organised answer with minor lapses; includes at least one illustrative diagram or example; terminology mostly correct; small omissions.
Average	05 – 06 Marks	Covers basic points (definition, brief history, basic structure) but lacks depth or several important milestones; organization acceptable but underdeveloped; few or no diagrams; some factual imprecision.
Basic	03 – 04 Marks	Limited coverage (partial definition, mentions only a few phases or bank types); poor organisation; no diagram; multiple factual gaps and weak terminology.
Poor	01 – 02 Marks	Very brief, fragmented answer; factual errors; no structure or examples.
Below Poor	Zero Marks / NA	Completely irrelevant or Not Attempted
UNIT II - 10 Marks Each Question		
Excellent	09 – 10 Marks	Thoroughly explains primary and secondary functions; clearly describes credit creation process with correct working example/diagram; lists principles of sound lending (safety, profitability, liquidity, security; 5 Cs) and modern services (CRM); accurate terms.
Good	07 – 08 Marks	Explains primary functions well; outlines credit creation with either a diagram or a partial numerical example; lists lending principles; minor errors.
Average	05 – 06 Marks	Describes deposits and lending in basic terms; credit creation explained superficially; little or no numerical work; limited mention of secondary functions.
Basic	03 – 04 Marks	Brief description of only deposits/loans; no credit creation illustration; missing lending principles.
Poor	01 – 02 Marks	Fragmented statements; incorrect processes; missing fundamentals.
Below Poor	Zero Marks / NA	Completely irrelevant or Not Attempted
UNIT III - 10 Marks Each Question		
Excellent	09 – 10 Marks	Clear account of RBI's origin, structure and functions; distinguishes quantitative tools (CRR, SLR, repo/reverse repo) and qualitative methods (moral suasion, direct action) with examples; explains banker to government and lender of last resort roles; mentions financial inclusion programs and developmental role.
Good	07 – 08 Marks	Good coverage of RBI roles and tools; spells out most instruments and their purposes; may lack one applied example.

Average	05 – 06 Marks	Basic description of RBI and some tools; confusion between tools or incomplete explanation of qualitative methods; limited examples.
Basic	03 – 04 Marks	Superficial statements about the RBI with few correct details; tools are named but not explained.
Poor	01 – 02 Marks	Major inaccuracies; key roles omitted.
Below Poor	Zero Marks / NA	Completely irrelevant or not attempted.
UNIT IV - 10 Marks Each Question		
Excellent	09 – 10 Marks	Comprehensive description of CBS and major payment systems, differentiates NEFT/RTGS/IMPS/UPI clearly (speed, settlement), explains fintech innovations and payment banks, and analyses cybersecurity challenges with mitigation measures; uses examples/diagrams.
Good	07 – 08 Marks	Good coverage of most systems and basic cybersecurity issues; minor gaps in differentiating payment systems or depth of challenge analysis.
Average	05 – 06 Marks	Covers main payment systems in brief; limited explanation of CBS or cybersecurity; few examples.
Basic	03 – 04 Marks	Mentions only some digital channels (ATM/cards/UPI) without depth; superficial statements about security.
Poor	01 – 02 Marks	Inaccurate or irrelevant content about digital payments; no understanding of systems.
Below Poor	Zero Marks / NA	Completely irrelevant or not attempted.

Note:
- Multiple-choice questions of 10 Marks will be based on Bloom's Taxonomy Levels 1 & 2.
- Written Examination questions will be based on various levels of Revised Bloom's Taxonomy.

PLO – CLO Mapping										
	BANKING & FINANCE– I									
	PLO 1	PLO 2	PLO 3	PLO 4	PLO 5	PLO 6	PLO 7	PLO 8	PLO 9	PLO 10
CLO 1	3	1	2	1	1	2	2	2	1	1
CLO 2	3	3	3	2	2	2	1	2	1	3
CLO 3	3	2	3	2	1	3	2	2	2	2
CLO 4	2	3	3	2	3	2	2	3	2	3

Note:
- High: **03**; Moderate: **02**; Low: **01**; No Mapping: **00**

Suggested References and E-Resources for Further Reading

- Basu, A. K. *Fundamentals of Banking and Insurance*. Pearson Education India, 2020.
- Chishti, Susanne, and Janos Barberis. *The FINTECH Book: The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries*. Wiley, 2016.
- Gordon, E., and K. Natarajan. *Banking Theory, Law and Practice*. Himalaya Publishing House, 2019.
- Gupta, S. B. *Monetary Economics: Institutions, Theory and Policy*. S. Chand Publishing, 2018.
- Indian Institute of Banking and Finance. *Digital Banking*. Taxmann Publications, 2021.
- Indian Institute of Banking and Finance. *Principles and Practices of Banking*. Macmillan Education, 2020.
- Khan, M. Y. *Indian Financial System*. McGraw Hill Education, 2020.
- Mishkin, Frederic S. *The Economics of Money, Banking, and Financial Markets*. Pearson Education, 2022.
- Pathak, B. V. *The Indian Financial System: Markets, Institutions and Services*. Pearson Education India, 2021.
- Reserve Bank of India. *Report on the Trend and Progress of Banking in India*. Reserve Bank of India, 2024.
- Sayers, R. S. *Modern Banking*. Oxford University Press, 2017.
- Shekhar, K. C., and Lekshmy Shekhar. *Banking Theory and Practice*. Vikas Publishing House, 2018.
- Singh, R. *Indian Economy*. McGraw Hill Education, 2023.
- Srivastava, R. M. *Management of Indian Financial Institutions*. Himalaya Publishing House, 2021.
- Sundharam, K. P. M., and P. N. Varshney. *Banking Theory, Law and Practice*. Sultan Chand & Sons, 2019.

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