**University of Management and Technology**

**Course Outline**

Course code:. BN-410 Course title: COMMERCIAL BANKING

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| --- | --- |
| Program | BBA |
| Credit Hours | 3 |
| Duration | 8 WEEK/ 30 SESSIONS |
| Prerequisites | The Students should develop the understanding about banking system, its sources, uses and different type of products**.** |
| Resource Person |  |
| Counseling Timing  (Room# ) |  |
| Contact |  |

**Chairman/Director signature………………………………….**

**Dean’s signature…………………………… Date………………………………………….**

**Learning Objective:**

This course would focus on the following objectives:

1. To develop practical, analytical and managerial skills on the multifold aspects of the banking operations and credit management.
2. To open the doors for enterprising careers in the fields of banking, commerce & public sector organizations.
3. To serve as catalyst in career development of those participants who are already serving in different organizations.
4. To develop technical and professional proficiency of the participants for qualifying banking examinations held by local and international institutes of banking.

**Learning Methodology:**

**The Course**

**Regularity and Punctuality**

Regularity and punctuality will be very strictly observed. You have an allowance of number of absences under the policy of UMT. This includes the leaves that you get approved from your Batch Advisor. Regarding punctuality, you will be marked present only if you arrive in the class within five minutes of the scheduled time. Any absents during the presentation sessions will result in deduction of 1 point each from the class participation marks. This means that the class participation marks can go into the negative as well. If your group is making a presentation and you are not there, you get a zero. If you miss a Quiz you get zero in that Quiz. Your group will lose 5 points if you deliver your report after the given date.

**Book Readings**

You are supposed to have read the text chapters under discussion in advance. Questions answered, relating to these text chapters, will contribute to the class participation marks.

**Quizzes & Assignments**

A minimum of 4 assignments, case studies 2 and 4 quizzes will be given during the semester evenly distributed before and after Mid Term Exam. If you miss a quiz or assignment you will get zero in that particular quiz/assignment.

**Class Participation**

Positive, healthy and constructive class participation will be monitored for each class. Particular emphasis will be given during the presentation sessions. The manner in which the question is asked or answered will also be noted. Your behaviour, as business executives in the class will contribute to the class participation marks.

**Consultancy Service**

During this programme consider me as your consultant. You are free to discuss the progress of your courses any time you want. However to avoid inconvenience setting up of appointment is recommended.

**Grade Evaluation Criteria**

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

**Marks Evaluation Marks in percentage**

Quizzes 15%

Assignments 10%

Mid Term 25%

Attendance & Class Participation

Term Project 10%

Presentations 10%

Final exam 30%

Total

**Recommended Text Books:**

**Reference Books:**

1. Practice and law of Banking in Pakistan

By Asrar H. Siddique (Latest Edition) Printed by Laureate Packages, Karachi.

1. Money & Banking in Pakistan

By S. A. Meenai

1. Foundation of Financial Markets And Institutions

By Frank J. Fabozzi, Frabco Modigliani, Frank J. Jones, Michael G. Ferri

### REFERENCE BOOKS

* Institute of Bankers Publications
* Bank Lending
* Managing Risk in Financial Sector

**Calendar of Course contents to be covered during semester**

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| --- | --- | --- | --- | --- |
| **Week** | **Course Contents** | | **Reference Chapter(s)** | |
| 1-2 | An introduction about Banking   1. Overview of banking history 2. Different kinds of banking/financial institutions 3. Different kinds of financial markets 4. Impact of globalization on banking institutions 5. Evolution to present day banking | |  | |
| 3-4 | The Central Bank   1. Introductions 2. Independence & Functions of Central Bank   Banking regulations and Regulatory framework for Banks | |  | |
| 5-6 | Management Structure   1. Bank’s ownership, management and organization 2. Major Departmental Functions   Banker- Customer Relationship   1. Individual Customer 2. Business Customer  * Advance Facilities * Trade Services * Cash Management Services * Debt Capital Markets & Syndications * Equity & Advisory etc; | |  | |
| 7-8 | Major Sources of Bank Funds   1. Capital Equity & Capital Debt and its Prudent limitations 2. Deposits as Capital Debt and its types  * Requirements for Account Opening * Document required for different type of Account Opening  1. Other sources of Bank Funds 2. Other Services of A bank | |  | |
| 9 | 1. Cheques, & Types of Cheques 2. Cheques Payments, Collections & Endorsements 3. Other Negotiable Instruments  * Bill of Exchange * Party to Bill of Exchange * Types of Bills   Promissory Note etc | |  | |
| 10-11 | Major Uses of Bank Funds   1. Advances and its types as major uses of Bank Funds 2. Other uses of Bank Funds 3. Bench Marks for Local Advances  * KIBOR * SBP Discount * T-Bills  1. Difference between Funded & Non-funded Advances 2. Difference between Unsecured & Secured Advances 3. Different types of Asset back Securities 4. Bank Credit Policy  * Pre-disbursement * Post-disbursement  1. Regulatory requirements measure for advances | |  | |
| 12 | Borrower's and Facility Rating according to SBP Guidelines on Internal Credit Risk Rating Systems. | |  | |
| 13 | What do mean by Credit?  Discuss credit process | |  | |
| 14 | What do mean by NPLs?  Calculation of NPLs. | |  | |
| 15 | | PRESENTATIONS | |  | |