



JAIB

Rules & Syllabus 2015

OBJECTIVE

JAIB aims at providing required level of basic knowledge in banking and financial services, banking technology, customer relations, basic accountancy and legal aspects necessary for carrying out day to day banking operations.

ELIGIBILITY

- The examination is open only to the ordinary members of the Institute (Any person working in the banking and finance industry whose employer is an Institutional member of the Institute can apply for membership, for details visit IIBF website).
- Candidates must have passed the matriculation examination or its equivalent. The Institute may, however at its discretion, allow any candidate from clerical or supervisory staff cadre of banks to appear at the examination on the recommendation of the Manager of the bank / officer-in-charge of the bank's office where the candidate is working, even if he / she is not a matriculate or its equivalent.
- Subordinate staff of recognized Banking / Financial Institutions in India, who are members of the Institute, are eligible to appear at the examination, provided they have passed the matriculation examination or its equivalent.
- New members are advised of the examination for which they are eligible to appear while intimating their respective membership numbers.

SUBJECT OF EXAMINATION

- Principles & Practices of Banking
- Accounting & Finance for Bankers
- Legal & Regulatory Aspects of Banking

SCHEME OF EXEMPTIONS

There is no exemption in any of the subject/s for prior qualification/s.

EXAMINATION FEES

For the examination centres in India

First Block of 2 attempts	₹2,400/- *
Second Block of 2 attempts	₹2,400/- *

* Plus Service Tax as applicable (Reg. No. AAATT3309DSD002)

MEDIUM OF EXAMINATION

Candidates are allowed to attempt the examination either in Hindi or English, and should clearly fill in their choice of medium in the Examination Application Form. In any case change of medium will not be allowed at a later stage.

PATTERN OF EXAMINATION

- Each Question Paper will contain approximately 120 objective type multiple choice questions, carrying 100 marks including questions based on case study / case lets. The Institute may, however, vary the number of questions to be asked for a subject. There will NOT be **negative marking** for wrong answers.
- Questions for the JAIB Examination will be asked calling for :
 - Knowledge testing, (b) Conceptual grasp, (c) Analytical / logical exposition, (d) Problem solving, (e) Case analysis

MODE OF EXAMINATION

Examination will be conducted in Online Mode at majority of centres and under offline mode (paper and pencil) at selected centres as per the notification given on the web site in this regard. Examination will be held on three consecutive Sundays (one paper on each Sunday).

DURATION OF EXAMINATION

The duration of the examination will be of 2 hours.

PERIODICITY AND EXAMINATION CENTRES

- (i) The examination will be conducted normally twice a year in May / June and November / December on Sundays.
- (ii) A list of Examination Centres will be provided in the online exam application form.

PASSING CRITERIA

- (i) Pass : Minimum marks for pass in every subject - 50 out of 100 marks.
- (ii) **Candidate securing at least 45 marks in each subject with an aggregate of 50% marks in all subjects of JAIIB examination in a single attempt will also be declared as having passed JAIIB Examination.**
- (iii) Candidates will be allowed to retain credits for the subject/s they have passed in one attempt till the expiry of the time limit for passing the examination as mentioned below :

TIME LIMIT FOR PASSING THE EXAMINATION

- (i) Candidates will be required to pass JAIIB examination within a time limit of 2 years (i.e. 4 consecutive attempts). Initially a candidate will have to pay examination fee for a block of one year i.e. for two attempts. In case a candidate is not able to pass JAIIB examination within 1st block of 2 attempts, he / she can appear for a further period of 1 year (2nd block) i.e. 2 attempts on payment of requisite fee. Candidates who have exhausted the first block of 2 attempts, should necessarily submit the examination application form for the next attempt, without any gap. If they do not submit the examination form immediately after exhausting the first block, the examination conducted will be counted as attempts of the second block for the purpose of time limit for passing.
- (ii) Candidates not able to pass JAIIB examination within the stipulated time period of two years are required to re-enroll themselves afresh by submitting fresh Examination Application Form. Such candidates will not be granted credit/s for subject/s passed, if any, earlier.
- (iii) Attempts will be counted from the date of application irrespective of whether a candidate appears at any examination or otherwise.

“CLASS OF PASS” CRITERIA

- 1) The Institute will consider the FIRST PHYSICAL ATTEMPT of the candidate at the examination as first attempt for awarding class. In other words, the candidate should not have attempted any of the subject/s pertaining to the concerned examination any time in the past and has to pass all the subjects as per the passing criteria and secure prescribed marks for awarding class. Candidate re-enrolling for the examination after exhausting all permissible attempts as per the time limit rule will not be considered for awarding class.
- 2) First Class : 60% or more marks in aggregate and pass in all the subjects in the FIRST PHYSICAL ATTEMPT.
- 3) First Class with Distinction : 70% or more marks in aggregate and 60 or more marks in each subject in the FIRST PHYSICAL ATTEMPT.
- 4) Candidate who have been granted exemption in the subject/s will be given "Pass Class" only.

PROCEDURE FOR APPLYING FOR EXAMINATION

Application for examination should be made online from the Institute's website www.iibf.org.in. No physical form will be accepted by the Institute with effect from 1st January, 2013.

STUDY MATERIAL / WORKBOOK

The Institute has developed a courseware to cover the syllabus. Candidates are advised to make full use of the courseware and also the updates put on the IIBF website from time to

time. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Hence, candidates should keep themselves updated on latest developments by going through Master Circulars issued by RBI, visiting the websites of organizations like RBI, SEBI, BIS etc.

The Institute has published study books and work books to facilitate study and they will be available at outlets / showrooms / distributors of M/s. Macmillan Publication India Ltd. and M/s. Taxmann Publication Pvt. Ltd. as under :

Study books in English Medium : Macmillan Publication India Ltd.

Study books in Hindi Medium : Taxmann Publication Pvt. Ltd.

Work book in English Medium : Taxmann Publication Pvt. Ltd.

The price of each book and detailed list of outlets is mentioned below.

Candidates may purchase directly from outlets / showrooms / distributors of the above.

Candidates who purchase books directly from outlets of publishers will be offered a discount of 20% on the cost price of the book. Candidates desirous of purchasing books by post will not be offered any discount. However the postage will be borne by publishers. Candidates would be required to send their indent to publishers' outlet along with a Demand Draft for the cost of book/s. The Demand Draft should be drawn in favour of M/s. Taxmann Publication Pvt. Ltd. and or M/s. Macmillan Publication India Ltd. as the case may be. **(No cheques will be accepted). Candidates are requested not to send any request for the purchase of books to the Institute's Zonal Offices / Corporate Office.**

ENGLISH MEDIUM

Name of the Book	Price
Principles & Practices of Banking	₹550.00
Accounting & Finance for Bankers	₹400.00
Legal & Regulatory Aspects of Banking	₹400.00

HINDI MEDIUM (For price details refer website*)

Name of the Book	Price
Banking ke Siddhant	₹870.00
Bankaron ke liye Lekhankan Evam Vitt	₹600.00
Banking ke Vidhik Paksh	₹700.00

ADDRESSES OF STUDY MATERIAL PUBLISHERS

Addresses of Macmillan Publishers India Pvt. Ltd. Branches & Showrooms for English Medium Books

New Delhi

2/10 Ansari Road, Daryaganj,
New Delhi-110002
Phone : (011) 23273624 / 23273814 /
47972200
E-mail : mildel@macmillan.co.in

Kolkata

Unit No 302, L&T Chambers,
(3rd Floor), 16 Camac Street,
Kolkata-700017
Phone : (033) 22834481-5
E-mail : milcal@macmillan.co.in

Chennai

21 Patullos Road, Chennai-600002
Phone : (044) 28520646 / 30915100
E-mail : rnilmds@macmillan.co.in

Bhopal

76 Malviya Nagar, TT Nagar, Bhopal-462003
Phone : (0755) 2553895 / 2576029
E-mail : milbho@macmillan.co.in

Chandigarh

First Floor, SCO 91, Sector 44 C,
Chandigarh-160047
Phone : (0172) 2611561/ 5088291
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Andheri East, Mumbai-400059
Phone : (022) 42152803/ 04
E-mail : mumvpo@macmillan.co.in

Mumbai

Mercantile House, Magazine Street,
Reay Road (East), Mumbai-400010
Phone : (022) 23724401 / 23726017 /
23741423

Nagpur

G9-11, Achraj Towers- II, Chhaoni,
Nagpur-440013
Phone : (0712) 2593103 / 2552595
E-mail : milngp@macmillan.co.in

Patna

Sinha Kothi, Sinha Library Road, Patna-001
Phone : (0612) 2232550 / 2224348
E-mail : milpat@macmillan.co.in

Pune

Plot no.17, 1st floor,
Swastishree Co-op Hsg. Society Ltd.,
Ganesh Nagar, Karve Nagar, Pune-411052
Phone : (020) 25420321 / 22
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Bangalore

Jaico Publishing House, 14/1,
1st Main Road, 6th Cross,
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M/s. Selvi Book, Shop. 92, Nethaji Road,
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Madurai-625001.
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E-mail : selvibookshop@yahoo.com

Trichy

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Vignesh Aparna, New Bishop Heber Colleg,
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E-mail : goldenbookhouse1@gamil.com

Tanjore

M/s. Sri Murugan Publications,
Raja Rajan Vanigga Valaga Arangam,
Southtrampet, Tanjore-613001
Phone : (04362) 272922 / 272168

Palayamkottai

M/s. Eagle Book Centre, 168 Trivandrum
Road, Opp to VOC Ground,
Palayamkottai-627002
Phone : (0462) 2578899

Trichy

M/s. International Books, 76,
Nandhi Koil Street, Trichy-620002
Phone : (0431) 2703743
E-mail : intbok@yahoo.co.in,
ntbok@gmail.com

ADDRESSES OF TAXMANN PUBLICATION PVT. LTD.

Branches & Showrooms for Hindi Medium Books and Workbook

Jaina Book Agency

649-A, Girgaum Road, Dhobi Talao,
Mumbai - 400 002
Tel. : 22012143, 22018485

Asia Law House

Shop No. 10, Aiyangar Plaza,
Between UTI & Central Bank
Bank Street Kothi,
Hyderabad - 500 095
Tel. : 24742324

Standard Book Distributors

104, Labh Complex, 12-B,
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Commercial House

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4, R. N. Mukherjee Road,
Kolkata - 700 001
Tel. : 22101089, 22206669, 31000405

Student Agencies (I) Pvt. Ltd.

102, Konark Shram,
Behind Everest Building,
156, Tardeo Road, Mumbai - 400 034
Tel. : 2351334-37

C. Sitaraman & Co.,

37, Royapettah High Road,
Chennai-600 014
Tel. : 28111516, 28117069, 28113950

Law Point

6C, R. N. Mukherjee Road,
Opp. Birla Building, Stephen House,
Kolkata - 700 011
Tel. : 22101821

Krishna Law House

35-36, Gokhale Market,
Opp. Tis Hazari Court, Delhi -110 054
Tel. : 23969866, 23919317

Book Corporation

108, Nandan Complex,
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Mithakhali, Ahmedabad - 380006
Tel. : 6465385

Puliani & Puliani

Ground Floor, Sujatha Complex,
1st Cross Gandhinagar,
Bangalore - 560 009
Tel. : 2265500, 2254052

Modern Law House

1/1, A. D. A. Flat,
(Near Bishop Johnson School),
M. G. Marg, Allahabad - 211001
Tel. : 2560700, 2560616

Arora Law Agency

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Mulund (West), Mumbai - 400 080
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E-mail: Nileshbhanushali@taxmann.com

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59/32, New Rohtak Road, New Delhi - 110 005
Tel. : 011-45562222
E-mail: sales@taxmann.com

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7, Abhinav Arcade, Ground Floor,
Nr. Bank of Baroda, Pritam Nagar,
Paldi, Ahmedabad - 380 007
Cell : 9909984900
E-mail: bdrugaprasad@taxmann.com

TUTORIAL / CONTACT PROGRAMMES

Tutorial / Contact programmes will be organized by the Institute / accredited Institutions. For further details candidates may get in touch with Zonal Office or logon to the Institute's website www.iibf.org.in.

SYLLABUS

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the Examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subjects of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus / rules / fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

SYLLABUS (Effective May / June 2015 Examinations)
Paper-1 : Principles and Practices of Banking

Module A: Indian Financial System

- 1) Indian Financial System : An Overview - Role of RBI, Commercial Banks, NBFCs, PDs, FIs, Cooperative Banks, CRR, SLR; Equity & Debt Market; IRDA
- 2) Banking Regulation - Constitution, Objectives, Functions of RBI; Tools of Monetary Control; Regulatory Restrictions on Lending
- 3) Retail Banking, Wholesale and International Banking - Retail Banking- Products, Opportunities; Wholesale Banking, Products; International Banking, Requirements of Importers & Exporters, Remittance Services; Universal Banking; ADRs; GDRs; Participatory Notes
- 4) Role Of Money Markets, Debt Markets & Forex Market - Types of Money & Debt Market Instruments incl. G-Secs; ADs, FEMA, LIBOR, MIBOR, etc.
- 5) Role and Functions of Capital Markets, SEBI - Overview of Capital Market; Stock Exchange; Commonly used Terms; Types of Capital Issues; Financial Products / Instruments including ASBA, QIP; SEBI; Registration of Stock Brokers, Sub-brokers, Share Transfer Agents, etc; QIBs;
- 6) Mutual Funds & Insurance Companies, Bancassurance & IRDA - Types of Mutual Funds, its Management & its Role; Role & Functions of Insurance Companies; Bancassurance; IRDA
- 7) Factoring, Forfaiting Services and Off-Balance Sheet items - Types & advantages of Factoring & forfaiting services; Types of off balance sheet items
- 8) Risk Management, Basel Accords - Introduction to Risk Management; Basel I, II & III Accords
- 9) CIBIL, Fair Practices Code for Debt Collection, BCBSI - Role and Functions of CIBIL; Fair Practices Code for Debt Collection; Codes of BCBSI
- 10) Recent Developments in the Financial System - Structure, Reforms in the Indian Financial System; recent developments in Money, Debt, Forex Markets; Regulatory Framework; Payments and Settlement System

Module B : Functions of Banks

- 1) Banker Customer Relationship - Types; Different Deposit Products & Services; Services to Customers & Investors
- 2) KYC / AML / CFT norms - PMLA Act; KYC Norms
- 3) Bankers' Special Relationship - Mandate; POA; Garnishee Orders; Banker's Lien; Right of Set off
- 4) Consumer Protection - COPRA, Banking Ombudsman Scheme - Operational Aspects of COPRA Act & Banking Ombudsman Scheme
- 5) Payment and Collection of Cheques and Other Negotiable Instruments - NI Act; Role & Duties of Paying & Collecting Banks; Endorsements; Forged Instruments; Bouncing of Cheques; Its Implications; Return of Cheques; Cheque Truncation System
- 6) Opening accounts of various types of customers - Operational Aspects of opening and Maintaining Accounts of Different Types of Customers including Aadhar, SB Rate Derogation
- 7) Ancillary Services - Remittances; Safe Deposit Lockers; Govt. Business; EBT
- 8) Cash Operations - Cash Management Services and its Importance
- 9) Principles of lending, Working Capital Assessment and Credit Monitoring - Cardinal Principles; Non-fund Based Limits; WC; Term Loans; Credit Appraisal Techniques; Sources of WC Funds & its Estimation; Operating Cycle; Projected Net WC; Turnover Method; Cash Budget; Credit Monitoring & Its Management; Base Rate
- 10) Priority Sector Advances - Targets; Sub-Targets; Recent Developments
- 11) Agricultural Finance - Types of Agricultural Loans; Risk Mitigation in agriculture (NAIS, MSP etc)
- 12) Micro, Small and Medium Enterprises - MSMED Act, 2006 Policy Package for MSMEs; Performance and Credit Rating Scheme; Latest Developments
- 13) Government Sponsored Schemes - SGSY; SJSRY; PMRY; SLRS
- 14) Self Help Groups - Need for & Functions of SHGs; Role of NGOs in Indirect Finance to SHGs; SHGs & SGSY Scheme; Capacity Building
- 15) Credit Cards, Home Loans, Personal Loans, Consumer Loans - Operational Aspects, Advantages, Disadvantages & Guidelines of Credit Cards; Procedure and Practices for Home Loans, Personal Loans and Consumer Loans
- 16) Documentation - Types of Documents; Procedure; Stamping; Securitisation
- 17) Different Modes of Charging Securities - Assignment; Lien; Set-off; Hypothecation; Pledge; Mortgage
- 18) Types of collaterals and their characteristics - Land & Buildings; Goods; Documents of Title to Goods; Advances against Insurance Policies, Shares, Book Debts, Term Deposits, Gold, etc; Supply Bills
- 19) Non Performing Assets - Definition; Income Recognition; Asset Classification; Provisioning Norms; CDR
- 20) Financial Inclusion - BC; BF; Role of ICT in Financial Inclusion, Mobile based transactions, R SETI
- 21) Financial Literacy - Importance of financial literacy, customer awareness

Module-C : Banking Technology

- 1) Essentials of Bank Computerization - Computer Systems; LANs; WANs; UPS; Core Banking
- 2) Payment Systems and Electronic Banking - ATMs; HWAK; PIN; Electromagnetic Cards; Electronic Banking; Signature Storage & Retrieval System; CTS; Note & Coin Counting Machines; Microfiche; NPC; RUPAY
- 3) Data Communication Network and EFT systems - Components & Modes of Transmission; Major Networks in India; Emerging Trends in Communication Networks for Banking; Evolution of EFT System; SWIFT; Automated Clearing Systems; Funds Transfer Systems; Recent Developments in India
- 4) Role of Technology Up gradation and its impact on Banks - Trends in Technology Developments; Role & Uses of Technology Up gradation; Global Trends; Impact of IT on Banks
- 5) Security Considerations - Risk Concern Areas; Types of Threats; Control Mechanism; Computer Audit; IS Security; ISAudit; Evaluation Requirements
- 6) Overview of IT Act - Gopalakrishna Committee Recommendations
- 7) Preventive Vigilance in Electronic Banking - Phishing; Customer Education; Safety Checks; Precautions

Module-D : Support Services : Marketing of Banking Services / Products

- 1) Marketing - An Introduction - Concept; Management; Products & Services; Marketing Mix; Brand Image
- 2) Social Marketing / Networking - Evolution, Importance & Relevance of Social Marketing / Networking
- 3) Consumer Behaviour and Product - Consumer Behaviour; Product Planning, Development, Strategies, etc; CRM
- 4) Pricing - Importance, Objectives, Factors, Methods, Strategies of Pricing; Bank Pricing
- 5) Distribution - Distribution Channels; Channels for Banking Services; Net Banking; Mobile Banking
- 6) Channel Management - Meaning, Levels, Dynamics, Advantages
- 7) Promotion - Role of Promotion in Marketing; Promotion Mix

- 8) Role Of Direct Selling Agent / Direct Marketing Agent in a bank - Definition; Relevance; Banker as DSA/DMA; Delivery Channels in Banks; Benefits
- 9) Marketing Information Systems – a longitudinal analysis - Functions & Components of MKIS; MKIS Model; Use of Computers & Decision Models; Performance of MKIS; Advantages

Paper - 2 : Accounting & Finance for Bankers

Module A : Business Mathematics and Finance

- 1) Calculation of Interest and Annuities - Calculation of Simple Interest & Compound Interest; Calculation of Equated Monthly Instalments; Fixed and Floating Interest Rates; Calculation of Annuities; Interest Calculation using Products / Balances; Amortisation of a Debt; Sinking Funds
- 2) Calculation of YTM - Debt - Definition, Meaning & Salient Features; Loans; Introduction to Bonds; Terms associated with Bonds; Cost of Debt Capital; Bond value with semi-annual Interest; Current Yield on Bond; Calculation of Yield-to-Maturity of Bond; Theorems for Bond Value; Duration of Bond; Properties of Duration; Bond Price Volatility
- 3) Capital Budgeting - Present Value and Discounting; Discounted Technique for Investment Appraisal; Internal Rate of Return (IRR); Method of Investment Appraisal; NPV and IRR compared; Investment Opportunities with Capital Rationing; Investment Decision making under condition of uncertainty; Expected NPV Rule; Risk Adjusted Discount Rate Approach for NPV Determination; Sensitivity Analysis for NPV Determination; Decision Tree Analysis for NPV Estimation; Payback Methods; ARR.
- 4) Depreciation and its Accounting - Depreciation, its types and methods; Comparing Depreciation Methods
- 5) Foreign Exchange Arithmetic - Fundamentals of Foreign Exchange; Forex Markets; Direct and Indirect Quote; Some Basic Exchange Rate Arithmetic – Cross Rate, Chain Rule, Value date, etc.; Forward Exchange Rates – Forward Points; Arbitrage; Calculating Forward Points; Premium/discount; etc.

Module B : Principles of Bookkeeping & Accountancy

- 1) Definition, Scope and Accounting Standards - Nature and Purpose of Accounting; Historical Perspectives; Origins of Accounting Principles; Accounting Standards in India and its Definition and Scope; Generally Accepted Accounting Principles of USA (US GAAP); Transfer Pricing; Overview of IFRS; Difference between GAAP & IFRS.
- 2) Basic Accountancy Procedures - Concepts of Accountancy; Entity Going Concern Entity; Double Entry System; Principle of Conservatism; Revenue Recognition and Realisation; Accrual and Cash Basis.
- 3) Maintenance of Cash / Subsidiary Books And Ledger - Record Keeping Basics; Account Categories; Debit and Credit Concepts; Accounting and Columnar Accounting Mechanics; Journals; Ledgers; subsidiary books; etc.
- 4) Bank Reconciliation Statement - Need for Bank Reconciliation; Causes of Differences; Preparation of Bank Reconciliation Statement; How to prepare a Bank Reconciliation Statement when Extracts of Cash Book and Pass Book are given; Adjusting the Cash Book Balance; Advantages of Bank Reconciliation Statement.
- 5) Trial Balance, Rectification of Errors and Adjusting & Closing Entries - Meaning of a Trial Balance; Features and Purpose of a Trial Balance; Types of Trial Balance and Preparation of a Trial Balance; Disagreement of a Trial Balance; Classification of Errors; Location of Errors; Rectification of Errors; Suspense Account and Rectification; Rectification of Errors when Books are closed; Adjusting and Closing Entries.
- 6) Capital and Revenue Expenditure - Expenditure; Distinction between Capital and Revenue Expenditure; Deferred Revenue Expenditure; Receipts; General Illustrations.
- 7) Bills of Exchange - Types of Instruments of Credit; Term and Due Date of a Bill; Certain Important Terms; Accounting Entries to be Passed; Accommodation Bill etc.

Module C : Final Accounts

- 1) Balance Sheet Equation - Balance Sheet Equation; Computation of Balance Sheet Equation.
- 2) Preparation of Final Accounts - Preparation of Trading A/C; Profit and Loss A/C; Profit & Loss Appropriation Account; Balance Sheets
- 3) Ratio Analysis - Meaning of Accounting Ratios; Classification of Ratios; Uses of Accounting Ratios; Limitations of Accounting Ratios; Calculation and interpretation of various Ratios; Different Users and their Use of Ratios.
- 4) Final Accounts of Banking Companies - Definition and Functions of a Bank; Requirements of Banking Companies as to Accounts and Audit; Significant Features of Accounting Systems of Banks; Principal Books of Accounts; Preparation and Presentation of Financial Statements of Banks; CMA Format; Accounting Treatment of Specific Items; Preparation of Profit and Loss Account; Comments on Profit and Loss Account; Important Items of Balance Sheet; Disclosure Requirements of Banks; Additional Disclosures prescribed by RBI; Disclosures required under BASEL norms.
- 5) Company Accounts I & II - Definition and Types of Companies; Distinction between Partnership and Limited Liability Company; Classes of Share Capital; Issue of Shares; General Illustrations Non-voting Shares; Form of Balance Sheet; Legal Requirements for Assets; Legal Requirements for Liabilities; Legal Requirements for Profit & Loss A/c; Preparation of Final Accounts
- 6) Accounting in a Computerized Environment - Meaning, Features of and Terms used in Computerized Accounting; Difference between Computerized and Manual Accounting; Advantages and Disadvantages of Computerized Accounting; Functions performed by Computerized Accounting Softwares available in the Market; Computerization – Scope and Experiences in Banking; The Core Banking Components; Information Security; Internet and World Wide Web – Influences on Banking

Module D : Banking Operations

- 1) Banking Operations & Accounting Functions - Preparation of Vouchers, cash receipt and payment entries, clearing inward and outward entries, transfer debit and credit entries, what is KYC and what are the different documents to satisfy KYC, verify KYC and authenticity of documents, operational aspects in regard to opening of all types of accounts, scrutiny of loan applications/documents, allowing draws and accounting entries involved at various stages, operational aspects of CBS environment etc., Back office operations in banks, handling of unreconciled entries in banks.

Paper-3 : Legal and Regulatory Aspects of Banking

Module A : Regulations and Compliance

- 1) Legal Framework of Regulation of Banks - Business of Banking; Constitution of Banks; RBI Act, 1934; Banking Regulation Act, 1949; Role of RBI; Govt. as a Regulator of Banks; Control over Cooperative Banks; Regulation by other Authorities.
- 2) Control Over Organization of Banks - Licensing of Banking Companies; Branch Licensing; Paid up Capital and Reserves; Shareholding in Banking Companies; Subsidiaries of Banking Companies; Board of Directors; Chairman of Banking Company; Appointment of Additional Directors; Restrictions on Employment; Control over Management; Corporate Governance; Directors and Corporate Governance.
- 3) Regulation of Banking Business - Power of RBI to Issue Directions; Acceptance of Deposits; Nomination; Loans and Advances; Regulation of Interest Rate; Regulation of Payment Systems; Internet Banking Guidelines;

- Regulation of Money Market Instruments; Banking Ombudsman; Reserve Funds; Maintenance of CRR, SLR; Assets in India.
- 4) Returns Inspection, Winding up, Mergers & Acquisitions - Annual Accounts & Balance Sheet; Audit & Auditors; Submission of Returns; Preservation of Records and Return of Paid Instruments; Inspection and Scrutiny; Board for Financial Supervision; Acquisition of Undertakings; Amalgamation of Banks; Winding up of Banks; Penalties for offences.
 - 5) Public Sector Banks and Cooperative Banks - SBI and its Subsidiaries; Regional Rural Banks; Nationalized Banks; Application of BR Act to Public Sector Banks; Disinvestment of Shares by Govt.; Cooperative Banks
 - 6) Financial Sector Legislative Reforms - Need, Approach for Financial Sector Legislative Reforms; Important Reforms
 - 7) Recent Legislative Changes in RBI Act - Recent Legislative Changes in RBI Act, Need thereof
 - 8) Financial Sector Development Council - Role and Functions of Financial Sector Development Council

Module B : Legal aspects of Banking Operations

- 1) Different Types of Borrowers - Types of Borrowers; Limited Liability Partnership
- 2) Types of Credit Facilities - Cash Credit, Overdraft, Demand Loans, Term Loans, Bill Finance
- 3) Secured and Unsecured Loans, Registration of Firms and Incorporation of Companies - Definition of Secured and Unsecured loans; Need for Secured Loans; Registration of Firms; Consequences of Non-registration of Firms; Incorporation of a Company
- 4) Indemnities - Definition of Contract of Indemnity; Features of Indemnity Contract & Guarantee; Scope and Application of Indemnity Contracts to Banks; Obligations of a Banker; Precaution & Rights of an Indemnity Holder
- 5) Bank Guarantees - Definition and Types of Bank Guarantees; Banker's Duty to Honour Guarantee; Precautions to be taken for Issuance of Bank Guarantee; Precautions to be taken for Payment under Bank Guarantee; Invocation & Enforcement.
- 6) Letters of Credit - General Considerations of Letters of credit; Parties to a Letter of credit; Types of Letters of credit; Documents under a Letter of credit; UCPDC 600; Banks obligation for payment of Letter of credit.
- 7) Deferred Payment Guarantees - Purpose of DPGs; Methods of Payment
- 8) Laws Relating to Bill Finance - Class of Bills and Laws Governing Bills; Classification of Bills; Categories of Bill Finance; Bill Finance and Legal Position of Banker
- 9) Various Types of Securities - Types of Securities; Escrow Arrangements; Trust and Retention Arrangements.
- 10) Laws Relating to Securities and Modes of Charging – I - Mortgage; Types of Mortgage; Enforcement of Mortgages
- 11) Laws Relating to Securities and Modes of Charging – II - Lien; Pledge; Hypothecation; etc.
- 12) Registration and Satisfaction of Charges - Definition of Charge; Procedure for Registration of Charge; Effect of Non-registration of Charges; Provisions of Law relating to Registration of Charges
- 13) Case Laws on Responsibility of Paying Bank - Negotiable Instruments Act and Paying Banks; Liability of Paying Banker; Payment in due course; Payment in Good Faith; Whether Payment under Mistake Recoverable
- 14) Case Laws on Responsibility of Collecting Bank - Statutory protection to Collecting Bank; Duties of Collecting Bank

Module C : Banking Related Laws

- 1) Recovery of Debts due to Banks and Financial Institutions Act, 1993(DRT Act) - Objective of the Act, Constitution of Tribunal, Procedure to be followed, Enforcement process
- 2) Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI) - Constitutional Validity; Definitions; Regulation & Reconstruction; Enforcement of Security Interest; Central Registry; Offences & Penalties; Miscellaneous Provisions
- 3) Banking Ombudsmen Scheme - Purpose; Extent; Definitions; Establishment; Powers; Procedure for Redressal Grievance
- 4) Bankers Books Evidence Act, 1891 - Applicability; Definition; Important Provisions
- 5) The Legal Services Authorities Act, 1987 - Lok Adalats - Organisation; Jurisdiction; Disposal of Cases; Awards
- 6) The Consumer Protection Act, 1986 and CERSAI - Preamble, Extent & Definitions; Consumer Protection Councils; Consumer Disputes Redressal Agencies; Objectives and important provisions of Central Registry of Securitisation Asset Reconstruction and Security Interest of India
- 7) The Law Of Limitation - Definition; Computation of Limitation; Important Provisions in schedule to the Limitation Act
- 8) Tax Laws - Income Tax; Fringe Benefit Tax; Banking Cash Transaction Tax; Service Tax
- 9) Negotiable Instruments Act, 1881 - Applicability; Definition; Important Provisions
- 10) Payment & Settlements Systems Act, 2007 - Applicability; Definition; Important Provisions

Module D : Commercial Laws with reference to Banking Operations

- 1) Indian Contract Act, 1872 - Meaning and essentials of contract; Contract of Indemnity & Rights of Indemnity Holder; Contract of Guarantee; Contract of Bailment; Contract of Pledge; Contract of Agency
- 2) The Sale of Goods Act, 1930 - Features; Sale & Agreement to Sell; Conditions and Warranties; Express & Implied; Rights of Unpaid Seller
- 3) Indian Partnership Act, 1932 - Definition & Types of Partnerships; Relation of partners to one another & to third Parties; Minor admitted to benefits of partnership; Dissolution of a firm; Effect of non registration; Limited liability partnerships-formation, registration, rights and liabilities of partners
- 4) Definition and features of a company - Definition & Features of a Company; Distinction between Company and Partnership
- 5) The Companies Act, 1956 - Definition, Features & Types of companies; Memorandum and Articles of Association; Doctrine of Ultra Vires, Constructive Notice, Indoor Management; Membership of Company- Acquisition, Cessation, Register, Rights & Duties of Members, Prospectus; Directors; Winding up of Companies
- 6) Foreign Exchange Management Act, 1999 - Important Terms; Powers of RBI, Regulation and Management; Directorate of Enforcement
- 7) Transfer of Property Act, 1882 - Sale, Mortgage of Immovable Property; Types of Mortgages; Sale with and without court intervention; Lease of Immovable Property
- 8) The Right to Information Act, 2005 - Applicability; Definition; Important Provisions
- 9) Right To Information and Obligation of Public Authorities - Obligations; Procedure; Disposal; Appeal; Orders; Penalties.
- 10) The Prevention of Money Laundering Act, 2002 - Obligations; Records to be Maintained; Procedure for Maintaining & Furnishing Information; Maintenance & Verifications of Records of Identity of Clients.
- 11) Information Technology Act, 2000 - Definitions; Electronic Governance; Certifying Authorities; Digital Signature Certificates; Penalties; Appeal.

COURSES OF IIBF

A. Flagship Courses (for Members*)

- ☞ JAIB
- ☞ CAIB
- ☞ Diploma in Banking & Finance (Only for Non-Members)

B. Specialised Diploma Courses (for Members* and Non-Members**)

- ☞ Diploma in Treasury, Investment and Risk Management
- ☞ Diploma in Banking Technology
- ☞ Diploma in International Banking and Finance
- ☞ Advanced Diploma in Urban Co-operative Banking
- ☞ Diploma in Commodity Derivatives for Bankers
- ☞ Advanced Wealth Management Course
- ☞ Diploma in Home Loan Advising

C. Certificate Courses (for Members* and Non-Members**)

- ☞ Certificate in Trade Finance
- ☞ Certified Information System Banker
- ☞ Certificate in Anti-Money Laundering / Know Your Customer
- ☞ Certificate in Quantitative Methods for Bankers
- ☞ Certificate in Credit Cards for Bankers
- ☞ Certificate Examination in Banking Oriented Paper in Hindi
- ☞ Certificate Examination in SME Finance for Bankers
- ☞ Certificate Examination in Customer Service & Banking Codes and Standards
- ☞ Certificate Examination in CAIB - Elective Subjects
- ☞ Certificate Examination in Basics of Banking / Credit Card Operations / Functions of Banks for employees of IT Companies
- ☞ Certificate Course for Business Correspondents / Business Facilitators
- ☞ Certificate Examination for Debt Recovery Agents
- ☞ Certificate Examination in IT Security
- ☞ Certificate Examination in Rural Banking Operations for RRB Staff
- ☞ Certificate Examination in Prevention of Cyber Crimes and Fraud Management
- ☞ Certificate Examination in Foreign Exchange Facilities for Individuals
- ☞ Certificate Examination in Microfinance

D. Specialised Blended Certificate Courses

- ☞ Certified Bank Trainer
- ☞ Certified Banking Compliance Professional
- ☞ Certified Credit Officer
- ☞ Certified Treasury Dealer
- ☞ Project Finance Management with IFMR, Chennai

E. Management Courses

- ☞ Advanced Management Program
- ☞ CAIB linked MBA with IGNOU.

Educational support :

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