

1	Name of Course	<b>CERTIFICATE COURSE IN BANKING ASSISTANT (408212)</b>																								
2	Max. Nos. of	25 Students																								
3	Duration	1 Year																								
4	Type	Full Time																								
5	Nos. of Days /	6 Days																								
6	Nos. of Hours	7 Hrs																								
7	Space Required	Theory Class Room – 200 sqft Practical – 800 sqft																								
8	Entry	S.S.C. Passed																								
9	Objective Of Syllabus/ introduction	To enable the students to- 1. acquire theoretical knowledge of bank operations 2. acquire operational skills in banking 3. develop interest in modern banking activities 4. understand the recording of banking transactions at various levels 5. acquire knowledge of various documents in the bank operations 6. know the different types of Deposits, Accounts, Loans and Advances 7. know the latest innovations and modernization in the field of Banking 8. inculcate the habit of saving in self and others																								
10	Employment Opportunity	a) Clerk in Co-Operative and Commercial Banks b) Clerk in Commercial Organizations c) Go down keeper d) Cashier-cum-clerk e) Cashier-cum-go down keeper f) Clerk-cum-typist g) Office Assistant h) In own business (Self employment) I) Computer Assistant J) Clerk in Co-operative Credit Society																								
11	Teacher’s Qualification	At least IInd Class at M.Com. with Banking as one of the optional subjects at Degree or Postgraduate level with at least three years experience in a business concern or in teaching profession or both combined. Where candidate with Banking as optional subject at Degree or Postgraduate level is not available, then a candidate with IInd Class at M.Com. is allowed to be appointed.																								
12	Training System	<table><tr><th colspan="4">Training System Per Week</th></tr><tr><td colspan="2">Theory</td><td colspan="2">Practical</td><td colspan="3">Total</td></tr><tr><td colspan="2">18 Hours</td><td colspan="2">24 Hours</td><td colspan="3">42 Hours</td></tr></table>							Training System Per Week				Theory		Practical		Total			18 Hours		24 Hours		42 Hours		
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13	Exam. System	Sr. No.	Paper Code	Name of Subject		TH/PR	Hours	Max. Marks	Min. Marks																	
		1	40821211	Accounting Banking Transactions & Bank Accounting		TH-I	3 hrs	100	35																	
		2	40821212	Operations in Bank Accounting & Loan Operations, Other Services of a Bank		TH-II	3 hrs	100	35																	
		3	40821213	Receiving payment and Transfer of cash & Cheque in Banking for storage		TH-III	3 hrs	100	35																	
		4	40821221	Accounting Banking Transactions & Bank Accounting		PR-I	3 hrs	100	50																	
		5	40821222	Operations in Bank Accounting & Loan Operations, Other Services of a Bank		PR-II	3 hrs	100	50																	
		6	40821223	Receiving payment and Transfer of cash & Cheque in Banking for storage		PR-III	3 hrs	100	50																	
				Total				600	255																	

## SYLLABUS

### THEORY I

#### Accounting Banking Transactions & Bank Accounting

##### PART A

1. 1. Meaning, Objectives and Importance of Book Keeping, Principles of Double Entry System and Its Merits
- 1.2 Kinds of Accounts: Personal and Impersonal A/cs & Rules and Regulations
- 1.3 Meaning and Importance of Journal, Documents supporting the entries there on
- 1.4 Introduction, Framework & history of computers
- 1.5 M.S.Excel
2. Periodical posting of entries from journal to ledger, balancing of ledger accounts.
3. Subsidiary Books: Purchase Book, Sales Book, R.O. Book, R. I. Book, Journal proper
4. Cash Book: Meaning, Importance and Types of Cash Book, Single, Double and Triple column cash book
5. Types of Accounting Errors
6. Trial balance: Meaning, objectives, need and importance
7. Final Accounts of a Sole Trader with adjustments. Manufacturing Account, Trading Account, Profit and Loss Account, Balance Sheet

##### PART B

- 1. Bank Reconciliation Statement** - Meaning, Need and Importance of Reconciliation Statement, Reasons for difference in bank pass book and cash book
- 2. Bill of Exchange** - Various accounting terms used in connection with bill transactions i.e. drawing, accepting, endorsing, honoring, dishonoring, renewal of bill, retirement of bill, bad debts, insolvency of drawee, noting and protesting, supra protest, discounting of bill
- 3. Average Due Date** - Meaning, definition, utility and steps in calculation of Average due date, calculation of interest from ADD to due date
- 4. Bank Accounts** - Meaning, Nature and Scope of Bank Final Accounts, Nature of profit and Loss Account and Balance Sheet as per Banking Regulation Act 1949 i.e. vertical formats of Profit and Loss Account and Balance Sheet (excluding Schedules). Brief explanation of items in the final accounts
- 5. Analysis of financial Accounts & Accounting Ratios** -  
Meaning and importance of analysis of final accounts
  - Classification of Assets and Liabilities
  - Gross Profit Ratio, Net Profit Ratio
  - Current Ratio
  - Liquid/Quick Ratio
  - Debt equity Ratio
  - Debtor's Turnover Ratio and Credit Period
  - Stock Turnover Ratio
  - Creditor's Turnover Ratio and credit period
  - Proprietary Ratio
- 6. Final Accounts of Partnership Firm**
  - Partnership Deed and its contents
  - Brief explanation of Trading A/C, Profit and Loss A/C, Profit and Loss Appropriation A/C, Methods of maintaining Capital Accounts and Balance Sheet
  - Basic Adjustments such as closing stock, outstanding & prepaid expenses, outstanding and advance income, depreciation on assets, loss of goods, interest on Capital and Drawings.

**PRACTICAL I**  
**Accounting Banking Transactions & Bank Accounting**  
**PART A**

1. a) Preparation of set-vouchers such as cash memo, Receipt Bills, Invoice, Journal Vouchers, Promissory Notes, Cheques, Bank Draft etc. (use of computers is an additional advantage)  
b) Giving practical on MS Excel
2. Writing the journal with support of vouchers and invoices
3. Writing of Ledger Accounts (Weight age to be given to personal accounts)  
Balancing ledger accounts
4. Writing of Cash Book i.e. Preparation of Simple, Double and Triple Column Cash Book
5. Rectification of Errors
6. Preparation of Trial Balance on the basis of balances of ledger accounts
7. (a) Preparation of final accounts of sole trader i.e. Manufacturing A/c, Trading A/c, Profit & Loss A/c and Balance Sheet with adjustments  
(b) Computerized Financial Accounting  
Voucher Entry to final accounts (Using accounting packages i.e. Tally)

**PRACTICAL I**  
**PART B**

1. Bank Reconciliation Statement
  - Format of B.R.S.
  - Simple problems of preparing Bank Reconciliation Statements
  - Preparation of B.R.S. on basis of recorded Pass book and cash book entries
2. Bill of Exchange
  - Preparation of various types of Bills of Exchange
  - Calculation of discount and interest
  - Simple problems connected with commercial bills
  - Preparation of Sales Invoice
  - Preparation of Purchase Bill
3. Average Due Date
  - Stages in calculation of A.D.D.
  - Calculation of A.D.D.
  - Calculation of interest
4. Bank Accounts
  - Preparation of Profit and Loss A/C and Balance Sheet
  - Proforma of Profit and Loss A/C, Balance Sheet as per Banking Regulation Act 1949 (New Format, i.e. Vertical format excluding schedules)
  - Collection of copies of Final accounts of Co-Operative and Commercial Banks as a part of Project Report
5. Analysis of Final Accounts and Accounting Ratios
  - Simple problems in connection with the accounting ratios stated in theory syllabus (Topic No. 5)
  - Interpretation of accounting ratios for managerial decisions
6. Final Accounts of Partnership Firms
  - Practical problems on maintaining capital and current accounts
  - Practical problems on Partnership Final Accounts covering adjustments stated in topic No. 6 of Theory Paper - I

## **THEORY II**

### **Operations in Bank Accounting & Loan Operations, Other Services of a Bank**

#### **PART A**

1. a) The nature, meaning, scope and functions of a banker
- b) Types of Banks
- c) Banker & Customer Relationship and Types of Relationships
2. a) Saving Bank Account
  - Meaning and Importance
  - Types of S/B A/cs : Individual, Joint Account, Minor's A/c, Pardanishin and Married women's Account
  - Procedure of opening S. B. A/c., Receipt & Verification of Account opening form
  - Verification of the introducer's Signature
  - Pay-in-Slip and its importance
  - Preparation of pass Book manual with the help of computers
  - Cheque Book, Issue of cheque book
- b) Operation of S. B. Account
  - Withdrawal: definition and types of withdrawal
  - Rules & procedure of withdrawals
  - Crossings, cheques, Drafts, Pay orders, Dividend and Interest Warrant, Endorsements, Precautions to be taken before the payment
  - Verification of stop payment instructions
  - Posting of cheques in Customer's Account
  - Entry in the Passbook
  - Reasons for dishonoring cheques
- c) Handling Deposit of Cash
  - Rules and procedure regarding deposit of cash
  - Scrutiny of deposit vouchers received from each department
  - Posting of deposit vouchers in customer's account
  - Arriving at Balance
  - Entries in Pass Book
- d) Handling Transfer Transactions
  - Meaning, rules and procedure of transfer entries
  - Posting debit voucher/debit letter, credit vouchers received from clearing section. Issue of Draft/Mail Transfer/FDR/Locker Rent/ Safe Custody operations
- e) Applying Interest - Half yearly, Quarterly, Annually
  - Simple and Compound Interest
  - Product Calculations
  - Use of Ready Reckoner Tables
- f) Recovery of Bank charges
  - Meaning of Bank Charges
  - Standing Instructions regarding Bank Charges
  - Recording Bank charges and Debit Customers Account OR Collection in cash from customer
- g) Scrutiny of Inoperative and Dormant Accounts
  - Meaning of inoperative account
  - Rules regarding transfer of funds in Dormant A/c to R.B.I. Common Fund
- h) Issue of Duplicate Pass Book
  - Circumstances under which Duplicate Pass Book is issued
  - Rules regarding issue of Duplicate Pass Book
  - Charges levied for issue of Duplicate Pass Book

- i) Nomination Facility
  - Meaning of Nomination
  - Importance and purpose of Nomination
  - Procedure of Nomination
- j) Transfer of Customer's A/c
  - Procedure of transfer of customer's A/c
  - From one branch to another branch
  - Importance of Transfer of A/c
- k) Closing of an Account
  - Procedure of closing customer's A/c
  - Receipt of personal Request from customer
  - Verification of signature
  - Collection of Pass Book and Unused cheque book from customer
  - Calculation of Interest on Balance amount
  - Preparation of Credit Voucher for Interest and record in customers A/c
  - Preparation of Debit voucher and debit customer's A/c for payment of Balance amount
  - Receipt of Acknowledgement from customer for payment made
- 3. Disposal of Balance in Deceased Person's Account
  - Meaning and procedure to handle deceased Person's Account
  - Information about Death Certificate, Certificate of Succession, Probate, Court order
- 4. a) Operation of Current Deposit Account
  - Meaning & Importance
  - Types of Accounts - Individual A/c, Joint A/c, Sole Proprietor's A/c, Partnership, Joint Stock Company, Clubs, Societies, Trusts etc.
  - Account opening procedure (Same as S. B. A/c)
  - Documents necessary to open current A/c
- b) Operation, Transfer and closing of Current A/c (Same as given in S.B. A/c)
- 5. a) Term/Fixed Deposit/Recurring Deposit A/c
  - Meaning and Importance of Term Deposits
  - Types of Term Deposits
  - Formalities in opening these accounts
  - Preparation of the Deposit Receipt
  - Calculation of Interest and credit to deposit or to S.B. A/c, if instructed by customer
  - Repayment of deposit on due date with interest
  - Discharging the Relevant Receipt from the customer & record
  - Procedure for Renewal of Deposit
  - Indemnity Bond and issue of duplicate Fixed Deposit Receipt
- b) Standing Instructions
  - Meaning & Importance
  - Circumstances of Issue of Standing Instructions by customers
  - Recording Standing Instructions and their follow up
- 1) Study of Saving Bank Account

## **THEORY II**

### **PART B**

#### **1. Loans and Advances**

Types and classification of Advances

- Banker -Borrower Relationship
- General Principles of Good/Sound Lending
- Nature of Security and its attributes
- Procedure of lending and recovery of advances
- Priority Sector Advances: Housing Loans, Agriculture, SSI, Retail Trade, Transport operators, Professionals and self employed, Education Loans, Weaker Sections.
- Procedure of Handling different securities while advancing e.g. Life Policies, Fixed deposit receipts, Gold ornaments, Government papers like National Savings Certificates, Kisan Vikas Patra, Bonds etc. Advancing against goods, Supply bills
- Contract of Indemnity & Guarantee - meaning, types, issue of guarantees and indemnities by banks and guarantors

#### **2. Clearing House Functions**

Meaning, importance and functions of Clearing House, Functions of clearing department through computer

##### **A. Outward Clearing of Cheques and Drafts**

- Important provisions of Negotiable Instruments Act relating to collecting and paying bankers responsibilities.
- Procedure of outward clearing-Receiving cheques and drafts from customers, signing and returning counterfoil, entries in outward clearing register, sorting of cheques bank wise and branch wise, preparing schedule of cheques for such bank with help of machine or manually.
- Preparing general summary, entries in clearing sheet and balancing, sending to Local clearing house.
- Exchange of cheques/ drafts in clearing house.
- cheques received on own bank/branch transferred to current/savings account or in other section.

##### **B. Inward clearing of Cheques and Drafts**

- Cheques properly collected from clearing house
- Cheques/draft entries in Inward clearing register
- Sorting of Cheques Ledger wise
- Sending to various departments/sections i.e. current account, Saving account, Loan dept. etc
- Debiting the respective accounts by passing necessary entries, balancing of ledger and accounts
- Returning dishonored cheques through clearing house
- Balancing clearing statement

#### **3. Rendering Customer Services**

##### **A) Safe Custody and Safe Deposit Vaults (Lockers)**

- Their importance
- Procedure of opening, operating and closing of locker facility
- Rental charges on SDV and safe custody
- Agreement of safe custody and Locker facility

## **B) Handling Foreign Exchange Transactions**

- i) Meaning and importance of Foreign Trade
- ii) Bank's role in foreign trade
- iii) Procedure for sale of foreign exchange
  - Verification of import License, endorsing and issuing foreign exchange remittances
  - Verification of customer's eligibility to remit foreign exchange
  - Conversion of Indian currency into foreign currency
  - Preparation of foreign draft, Mail transfer or Traveler's cheque
  - Recording in proper register
  - Advice to foreign branch/correspondent bank
  - Preparing and sending appropriate Returns to R.B.I.
- iv) Procedure for Purchase of Foreign Exchange
  - Receiving traveler's cheques and drafts and foreign currency
  - Conversion into Indian currency at existing exchange rate and bank commission
  - Verifying and endorsing tourist passport
  - Preparing vouchers for debiting correspondent A/C and crediting customer's A/C
  - Recording transactions in relevant registers
  - Preparing and sending appropriate returns to RBI

## **C) Enquiry, Reception and Customer Service**

- Meaning of customer service and its importance
- Customer service - still a critical issue
- Causative factors responsible for rendering bank services archaic and cumbersome
- system and procedures, slow and hesitant attitude, tackling the symptoms and not the disease, equating "rate of complaint redressal" with "quality of customer's service", feelings of silent customers remain untapped, cost-price disparity (victim of misplaced public protest)
- Customer's satisfaction - The future dimensions
- i.) Improving work culture
- ii) Changing customer perception
- iii) Need for flexibility in systems and procedures
- iv) Technological up gradation in respect of telephone banking and home banking, location convenience, customer satisfaction

## **4. Maintenance and House Keeping**

Meaning and importance of housekeeping

### **A) Establishment Duties**

- i) Meaning, importance and need of various establishment duties i.e. calculation of monthly salaries of employees, overtime, bonus, pension payment, allowances to officers, clerks and others.
  - Knowledge of basic salary, rates of allowances, D.A. and T.A. etc.
  - Scrutiny of DA and TA bills, medical bills.
  - Purchase and sale of various assets, scrutiny of payment of water bill, electricity bill.
  - Deductions from salary, Record of bank employees, Retirement benefits received by employees.

### **B) Attending Inward and Outward Mail**

Meaning and importance

- a) Inward mail procedure in bank in details
- b) Outward Mail procedure in bank in details

## **5. Exchange of Cash**

Meaning and need

- Mutilated and soiled currency notes and counterfeit coins
- Current and Noncurrent notes and coins
- Procedure of exchanging soiled/mutilated notes as per RBI instructions

## **6. Technological Developments in Banking Sector**

Need for technological development in banks

- i) Computerization

- ii) MICR clearing system.
- iii) High Speed Reader Sorter System
- iv) Electronic Clearing Services
- v) Electronic Fund Transfer
- vi) Bank Net
- vii) Automatic Teller Method (ATM)
- viii) S.W.I.F.T. network
- ix) Electronic Data Interchange (EDI)
- x) Internet website of RBI
- xi) Institute for Development and Research in Banking Technology (IDRBI)

## **PRACTICAL II**

### **Operations in Bank Accounting & Loan Operations, Other Services of a Bank**

#### **PART A**

- Filling, Verifying of various forms relating to saving account
  - Verifying introducer's identity
  - Filling of pay-in-slip
  - Entries for account opening form.
  - Issue of Cheque Book and entries in Cheque Book Register and Ledger Account
  - Indexing of account opening form
  - Scrutiny of cheque / withdrawal slip, comparing signatures
  - Issue of token and its importance, noting its number
  - Posting entries in customer's account
  - Verification of stop payment instructions
  - Entries in pass book
  - Scrutiny of deposit voucher regarding date, amount etc.
  - Making ledger entries as per Debit/Credit voucher
  - Calculation of interest and posting in respective accounts
  - Use of ready reckoners
  - Preparation of Standing Instructions card (if required)
  - Issue of duplicate/new pass book in case of loss / completion
  - Closing of account - obtaining application, reason for closing of account
  - Calculation of interest and balancing of account
  - Payment of balance, obtaining receipt
  - Verification and scrutiny of legal heirs in case of death, insanity, insolvency of customer
  - Verification of nominee
  - Computer application regarding banking facilities
  - Operation of computerized savings bank account
  - Visits to different banks
- 2. Study of Current Account**
- Verification of account opening and other related forms/documents
  - Scrutiny of customer's identity- sole trader, partner, company etc. by verifying documents
  - Verification of introducer
  - Opening of account procedure (similar to savings bank account) e.g. accepting initial deposit, issue of pass book, cheque book, entries in cash book, posting in ledger etc.
  - Preparing of periodical statements
  - Calculation of interest on overdraft facility
  - Calculation of incidental charges
  - Closing procedure similar to savings bank account
  - Operation of account through computers
- 3. Study of Term Deposit/Fixed Deposit/Recurring Deposit Account**
- Filling various forms relating to opening of account
  - Scrutiny of form
  - Issue of Fixed/Term/Deposit receipt
  - Issue of R/D pass book

- Calculation of interest thereon
- Balancing of accounts periodically
- Renewal, transfer, closing of deposit accounts
- Recording of entries in concerned books and registers
- Use of calculators/ready reckoners etc.
- Dealing with premature payments
- Closing procedure: production of receipt, calculation of interest, payment of amounts etc.

## **PRACTICAL II PART B**

### **1. Loans and Advances**

Preparation and posting of vouchers. Calculation of interest with the help of calculators. Assessment of balance sheet and profit & loss account for lending purpose; payment of cheque posting in Ledger. Verifying the drawing power. Extending the balance. Preparing and sending the statement of A/c to customers. Practical on housing loan, overdraft, cash credit & other Advances through computers

### **2. Clearing House**

#### **A) Outward clearing**

Complete outward clearing procedure scrutiny of instrument - endorsement affixing of collection and crossing stamp - preparing of bank wise and branch wise lists with the help of machines or manually.

- preparing clearance sheet and balancing it, Exchange of instruments.
- Balancing the clearing ledger and preparing adjustment vouchers.

#### **B) Inward Clearing**

Same as outward clearing procedure.

### **3. Rendering other customer services**

- Safe custody of articles  
Procedure - filling of forms, safe custody receipt, rent receipt etc.
- Safe Deposit Vaults (Locker facility)  
Procedure of opening, operations and closing of locker facility, Preparation of forms, locker agreement, and calculation of locker rent, Calculation of due date
- Currencies of different countries and their exchange rates
- Procedure of sale and purchase of foreign currencies
- Practice of handling various registers, forms, documents, Preparation of vouchers, use of Arithmetic skills

### **4. Maintenance and House keeping**

Practicing calculation of salary, filling registers, Procedure of verification of medical and Travelling allowance bill, Maintaining employee's individual records and leave records - procedure of Inward and outward mail.

### **5. Exchange of cash**

- Handling of soiled notes and counterfeit coins, current and non-current notes and coins.
- Procedure of exchange

### **6. Technological development in Banking Sector**

Arrange visits to banks to acquaint the students with technological developments and arrange guest lecturers for acquiring advanced information.

## **THEORY III**

### **Receiving payment and Transfer of cash & Cheque in Banking for storage**

#### **PART A**

##### **1. Receiving Cash**

- Meaning and Importance of Cash Receipts in cash and by cheques
- Procedure followed for receiving cash from depositors and others
- Format of Pay-in-slips
- Detection of Counter-feit coins and forged notes
- Entries in Cashier's receipt book
- Stamping and signing pay-in-slips and its importance
- Tallying cash received at the end of the day
- Forms and registers used
- Seals used and their purposes
- Sundry account and its importance to enter excess cash
- Meaning of bundles and packets of currency notes received
- Handing over of accounted cash to head cashier or Branch Manager. Obtaining the receipt and filing for future reference. Precautions taken in the procedure of handing over the cash to Head Cashier

##### **2. Paying Cash**

- Meaning and importance of paying cash
- Duties of paying cashier and Head Cashier
- Withdrawal of cash from strong room against issue of receipt
- Reasons for dishonor of cheque
- Procedure of passing cheques, Drafts, pays orders
- Format of Payment Register
- Token: its importance and method of use
- Teller system

##### **3. Drafting Letters and Legal Documents**

- Importance of Writing Letters i.e. Communication in writing
- Writing letters to customers, outside agencies, R.B.I. and Head Office
- Writing of Legal documents i.e. simple formats of pledge, Hypothecation, Mortgage, Lien, Assignment, Notice of Dishonor of cheque, Letter to Customer of intimation of Bank charges
- Formats of periodical returns and statements sent to Head office, the purpose of sending periodical returns to Head Office (e.g. Deposits, Advances, Dormant accounts, P&L A/C, Balance Sheet)

##### **4. Negotiable Instruments**

- Meaning, definitions, presumptions, types of N.I's. i.e. Promissory Notes, Bill of Exchange, Cheque, Quasi-Negotiable instruments, their features and formats, Types of N.I.
- Crossing of Cheques, Endorsement and marking of Cheques
- Importance of using printed format of cheques, Drafts
- Material Alteration

## **5. Handling Inland Remittances**

- Meaning and Importance of handling Inland Remittances
- Types of Inland Remittances: Demand Draft, Mail Transfers, Telegraphic Transfers, Travelers' cheques, Pay orders, credit and Debit Cards
- Contents of Remittance Documents, Format
- Difference between Draft and Cheque
- Contents of Draft form
- Formalities or procedure of issue of D.D., M.T., T.T. and T.Cs
- Draft Issue Register, and its importance
- Issue of Duplicate Draft
- Commission charges for Remittances
- Collection of Drafts
- Liabilities of bank in the event of original and duplicate draft paid at the same time
- Stop payment and draft cancelling method
- Procedure of Payment of draft
- Mail Transfer: Procedure of Issue and encashment, contents of M.T. Voucher
- Contents and format of M.T. issue Register
- Procedure of handling, issue and encashment of Traveler's Cheques
- Loss and remedies of T. Cheques
- Contents and Format of telegraphic transfer
- Issue and encashment procedure of telegraphic transfer
- Exchange rate
- Payment of telegraphic transfer
- Coding and decoding: purpose and usefulness
- Payment Voucher: contents and format
- Posting entries in ledger
- T.T. payable register and its contents and format
- Contents of acknowledgment slip
- Handling Travelers' cheques  
Meaning, usefulness, parties involved in Traveler's cheque; Format of T.C.
- Procedure of issue, encashment, Loss of T.Cs'
- Precautions and related documents
- Issue of duplicate T.C.s and encashment of unused T.Cs'
- Handling Credit Cards and Debit cards  
Meaning, utility, parties  
Procedure of issue, encashment  
Formats of Credit and Debit card  
Loss and issue of duplicate cards and its procedure

## **6. A) Paying Banker**

Payment in due course: Meaning of paying banker, Statutory protection to paying banker,  
Duties of paying banker

## **B) Collecting Banker**

Meaning and Importance. Statutory Protection to collecting banker. Duties of collecting banker,  
Holder, Holder in due course

## THEORY III

### PART B

#### 1. Collection of Inland Bills

- A) Inland Bills Received by Banks, Role of Bank as a middleman, Importance of collection of Bills
- B) R/R., M.T.R., B/L, Lorry Receipt, Airway Bills as support for bill of exchange
- C) Types of bill of exchange -  
Scrutiny of B/E, R/R, M.T.R., Lorry Receipt, Bill of Lading and Airway Bill and its procedure
- D) Payment of Bills -Customer brings advice, Preparation of credit voucher or deposit of cash in customer's account. Preparation of Debit Voucher for Commission and expenses to debit customer's account.
- E) Usance/Time Bills  
Meaning and Importance of Bills, Calculation of Due date, Meaning and Importance of grace days, Collection of Demand Bills and Usance Bills on behalf of customers.
- F) Outward Bills sent for collection, Procedure of outward Bill sent for collection.  
Negotiation of Bills, Noting and protesting, meaning and procedure.
- G) Receipt of Realization of Bill i.e. Payment advice Debit Voucher for Branch Head Office account, Mark of payment in Bill Collection Register. Release of Credit Voucher to relative section for the credit of customer's account;
- H) Documents of Title to Goods - Meaning and Importance, Types of Documents of Title to Goods i.e. R/R, L/R, W/R, Airway Bill, Bill of Lading, Dock warrant etc.

#### 2. Go down keeping

Meaning of Go down keeping, Importance of Go down and Go down keeper, Functions of Go down keeper, Qualities and Qualifications of Go down Keeper

#### 3. Duties of Go down keeper

- A. Pledge duties
- B. Delivery duties
- C. Maintenance duties
- D. Accounting and Record keeping
- F. Documentation

#### 4. Modes of creation of charge

- A. *Lien*
- B. *Pledge*
- C. *Hypothecation*
- D. *Mortgage*
- E. *Assignment*

Meaning, Importance, Procedure and Recording

- 5. A. Concept of stock in relation to pledge; classification of stock i.e. perishable and nonperishable, movable and immovable, agricultural and industrial raw materials and finished goods, fresh and obsolete stock. Concept of security, Factors to be considered at the time of taking the Pledge.
- B. Physical Verification of stock and valuation of stock. Concept of physical verification of stock. Important steps involved in the verification and valuation of stock.

#### 6. Frauds in Banks

Prevention and Detection

Meaning, components of frauds, prevention of frauds, recruitment and selection, private lives of staff, no undue reliance, basic honesty, routine - supervision and audit, Unscrupulous parties, Danger signals, Vigilance - Detection of frauds, some special types of frauds e.g. temporarily parting with title deeds, Inspection of goods, capacity of go down, taking over an account from other bank, goods charged to two banks - stocks pledged to four banks- Handing go down keys to borrowers - False platforms, hollow square in the middle of stocks, Advances against oil in tins- good in uncountable order - over invoicing, Forged share scrip etc.

**PRACTICAL III**  
**Receiving payment and Transfer of cash & Cheque in Banking for storage**

**PART A**

**1. Documentation of Receiving Cash**

- Format of Pay-in-slips for S/B A/C, Current A/C, Recurring deposit A/C, Fixed deposit A/C.
- Exhibit the Counter-feit-coins and Forged notes and distinguish them with genuine coins & Notes.
- Preparation of Receiving Cashier's Register
- Stamping and signing pay-in-slips
- Scroll Register
- Study and draw different seals used
- Preparation of Cash Receipt issued by Head Cashier to Receiving Cashier
- Note Counting Machine and its use
- Arrangement of Receiving Cashier's Cabin and safety precautions

**2. Documentation of Payment of Cash**

- Preparation of cash Receipt issued while withdrawing cash from strong room
- Format of Register kept at strong room and the entries recorded
- Format to deal with Dishonored Cheques
- Format of Payment Register and the entries therein
- Preparation of the tokens
- Specimen of Draft, Pay-orders
- Scroll Register
- Specimen of withdrawal slip, passbook
- Ultra-Violet machine used and its importance
- Spike file
- Arrangement of cash in Cashier's cabin and safety precautions

**3. Preparation of simple formats of pledge, Hypothecation, Mortgage, Lien, Letter of Assignment, Notice of Dishonor, Letters drafted to communicate business transactions with customers**

- Formats of periodical returns and statements sent to Head Office. Statements of Deposits, Loans, and Dormant A/Cs etc. sent to Head Office

**4. Drafting N. Instruments i.e. Promissory Note, bill of exchange, Cheques, Types of crossings, Endorsements, Quasi negotiable instruments like warehouse Receipt, Dock Warrant, Railway Receipt, Lorry Receipt. Marking of cheques, Material Alterations, Drafts, Making charts for display in class room**

**5. Documentation of Inland Remittances. Procedure of Inland Remittances. Specimen of Mail Transfers, Telegraphic Transfer and D.D. Application forms, verification of commission charged, preparation of Advice Form, making entries in Draft Issue Register. Preparation of Draft. Recording the loss of draft in draft issue register. Issue of duplicate draft, Intimation: sending advice to drawee bank (branch) verification of customer's requisition form for duplicate draft. Cancelling the draft and passing entries - cancellation advice to drawee branch - scrutiny of particulars of the draft presented for payment or through clearing – Verification of correctness of payees, bankers endorsement-comparing draft with advice. Indemnity bond and its importance.**

**Mail Transfer:**

verification of voucher/application form and cash, clearing/transfer section

Verification of signature

- Filling of mail transfer form
- Entries in mail transfer issue register

**Payment of Mail Transfer**

Entering mail transfer receipt from other branch in M.T. paid register

- Posting in registers
- entry in customer's account

**Issue of Telegraphic Transfer**

Verification of Telegraphic transfer application voucher from cash /clearing/transfer section

- verifying exchange and telegram charges
- Entries in T.T. issue register
- Preparation of T.T. Advice
- Coding of vouchers, sending to proper authority
- Entries in T.T. advice register

**Payment of Telegraphic Transfer**

Preparing necessary Vouchers for crediting customers' accounts and debiting of branch account

- Entries in T.T. payable register
- Reading and understanding telegraphic message - decoding of coded language
- Entries in T. T. payable register
- Filling of acknowledgment slip

**Traveler's Cheque**

- Filling of T.C. application form
- Entries in T.C. issue register
- issue of travelers' cheque format
- verification, calculation of Last date of validity
- Preparation of Vouchers

**PRACTICAL III****PART B****1. Collection of Inland Bills/Cheques**

- A) Preparation of Different types of Bills of Exchange.
- B) Preparation of Different types of Documents of Title of goods.
- C) For Demand Bill, and Usance Bill: Writing Registers, Intimation Letters, Preparation of Relevant Vouchers
- D) For Outward Bills sent for collection
  - Preparation of Vouchers
  - Writing collection Register and balancing it
  - Preparation of Debit and Credit Vouchers and advice sent to the parties
- E) Receipt of Realization and preparation of Payment advice

**2. Pledge Duties of Go down Keeper**

- A) Classification of Stock
  - B) Preparation of pledge Letter and identifying important contents
  - C) Preparation of Letter of Hypothecation
  - D) Preparation of Mortgage Letter (Simple Mortgage)
  - E) Physical Verification of Stock
  - F) Preparation of Stock Method
  - G) Checking the Invoice and Stock Register for Counter check
3. Safety precautions taken for the protection of Stock. Draw diagrams where necessary for easy understanding. Neat sketches of Fire fighting Equipments.
4. Draw Neat Diagrams for the Internal Layout of stock, for small and medium scale Warehouse/store

## **5. Preparation of following Documents for Smooth movement of Stock**

- A) Bin Card
- B) Stock Register
- C) Purchase Requisition
- D) Purchase Order
- E) Delivery Challan
- F) Fire Insurance Policy
- G) Material handling equipments

## **6. Delivery Duties**

- Counting items/Determining the right value of the released stock
- Delivering the goods to the parties
- Checking the signature of the borrower on acknowledgment of delivery letter - Maintaining the Drawing Power Register
- Visits to different go downs to acquaint students with the documents needed in go down and to know the internal layout and safety precautions taken to protect the goods

## Tools, Equipments / Furniture Required

1. Furniture, Benches & Desks	20	
2. Computers with UPS	08	
3. CMP Printers	04	
4. Calculators (Small)		04
5. Franking Machine	01	
6. Modern Equipment O.H.P.		01
7. Electronic Typewriters	02	
8. Ledgers, Cash book, Registers, Files	Adequate quantity	
9. Typing Tables & Stools	05	
10. Calculators (8 Digits)	20	
11. Racks and Cupboards	Adequate quantity	
12. Printer of calculator	02	
13. Cyclostyling Manual & Machine	01	

## Reference Books

1. Elements of Double-entry book-keeping - Batliboi.
2. Double-entry book keeping - Kishnadwala & Shetty
3. Banking law and Practice - M. L. Tannan
4. Banking Law and Practice in India - Varshney, Sundaram
5. Banking Theory, Law and Practice - E. Gordon, K. Natarajan
6. Modern Banking - R. S. Sayers
7. Pragat Banking (Marathi) - Mankar, Dange
8. Banking Law and Practice - S. N. Maheshwari
9. Banking Law and Practice in India - R. S. Davar
10. Banking Regulation Act 1949 - Government of India
11. Practical Banking Advances - Bedi, Hardikar
12. Financing of Foreign Trade in India - Keshkamat
13. Challenges to Indian Banking, Competition, Globalisation & Financial Markets by Narendra Jadhav (Editor)
14. Practical work Book in Financial Accountancy - By S. N. Sonawane
15. Banking Theory - By Smt.R. Setumadhavi  
Shri. Shankar S. S. Pai, Shri. V. G. Kulkarni (Directorate of Vocational Education and Training)
16. Law and Practice of Banking - V. N. Mugali
17. Central Banking - by Decock
18. The Negotiable Instruments Act 1881
19. RBI Annual Reports
20. RBI Reports on currency and Finance
21. RBI Reports on Trends & Progress of Banking
22. Banking Series (Work Books) - By National School of Banking

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