

DIPLOMA IN BANKING & FINANCE

Rules & Latest Syllabus

ABOUT THE DIPLOMA

There will be a growing demand for qualified manpower for the banking and finance sector in the coming years on account of expansion of volume of business and large scale retirement of personnel. Banking and finance industry will require professionally qualified manpower endowed with banking and finance knowledge and skills together with technology-familiarity, customer orientation and hands-on application skills who can be assigned to various desks/ jobs with minimal training intervention at the bank level.

In view of the huge current as well as potential demand for the professionally qualified manpower for the banking and finance sector, and to ensure a steady stream of industry ready professionals at the entry-level, IIBF has designed this course as professional qualification who aspire for a career in banking and finance.

The course will give knowledge inputs to the candidates and expose them to the operational processes and modern banking environment so that they can man the counters at the bank from the first day of their joining the bank. It is expected that successful candidates of Diploma in Banking & Finance would have a competitive edge and will be absorbed by banks and financial institutions and Diploma in Banking & Finance would emerge as a preferred professional qualification with graduation for employment in banking and finance industry.

INDIAN BANKS ASSOCIATION (IBA) HAS APPROVED DIPLOMA IN BANKING & FINANCE EXAMINATION CONDUCTED BY IIBF AS A DESIRABLE QUALIFICATION ALONG WITH OTHER PRESCRIBED ENTRY LEVEL QUALIFICATION FOR RECRUITMENT IN BANKS.

SALIENT FEATURES

- Diploma in Banking & Finance will impart banking and finance knowledge and skills together with technology-familiarity and customer-orientation
- High quality academic rigor and specially prepared courseware.
- Candidates undertaking the course will have comprehensive and up-to-date knowledge in the subject of banking and finance. The Diploma offers practical insights into the subjects while, at the same time, emphasizes robust theoretical foundation.
- The course will make the candidates job ready.
- The course is so designed that most employers would value it for talent scouting.
- This will ensure that banks can reduce their post recruitment training intervention.
- The course is cost effective and at the same time high in quality. At an additional fee, candidates can seek educational support in the form of e-learning/ virtual classes/ contact classes.

- The diploma carries professional recognition among the banking and finance community as it is equivalent to banking industry recognized JAIIB qualification of IIBF.
- The certification is backed by a system of high professional standards of the Institute.

ELIGIBILITY

1. Non-Members of Institute.
2. Candidates must have passed the 12th standard examination in any discipline or its equivalent or Candidate who have completed BC/BF examination conducted by IIBF (Members of the Institute are not eligible for DB&F examination since they are eligible to appear for JAIIB examination. In case if any Member of the Institute appears for DB&F examination, their result/ certificate will be liable for cancellation)

SUBJECTS OF EXAMINATION

- (1) Principles & Practices of Banking,
- (2) Accounting & Finance for Bankers,
- (3) Legal & Regulatory Aspects of Banking

PASSING CRITERIA:

1. Minimum marks for pass in the subject is 50 out of 100.
2. Candidates securing at least 45 marks in each subject with an aggregate of 50% marks in all subjects of examination in a single attempt will also be declared as having completed the Examination.
3. Candidates will be allowed to retain credits for the subject they have passed in an attempt till the expiry of the time limit for passing the examination as mentioned below:

TIME LIMIT FOR PASSING THE EXAMINATION:

1. Candidates will be required to pass the examination within a time limit of 2 years (i.e. 4 consecutive attempts).
2. Candidates not able to pass examination within stipulated time period of two years are required to re-enroll themselves afresh. Such candidates will not be granted credit/s for subject/s passed, if any, earlier.
3. Time limit of 2 years will start from the date of application for first attempt. Attempts will be counted irrespective of whether a candidate appears for any examination or otherwise.

PATTERN OF EXAMINATION:

- (i) Question Paper will contain approximately 120 objective type multiple choice questions for 100 marks including questions based on case studies/ case lets. The Institute may however vary the number of questions to be asked for a subject.
- (ii) The examination will be held in Online Mode only
- (iii) There will NOT be negative marking for wrong answers.

DURATION OF EXAMINATION:

The duration of the examination will be of 2 hours.

PERIODICITY AND EXAMINATION CENTRES:

- a) Examination will be conducted on pre-announced dates published on IIBF Web Site. Institute conducts examination on half yearly basis, however periodicity of the examination may be changed depending upon the requirement of banking industry.
- b) List of Examination centers will be available on the website. (Institute will conduct examination in those centres where there are 20 or more candidates.)

SYLLABUS

PAPER 1 – PRINCIPLES & PRACTICES OF BANKING

MODULE A – INDIAN FINANCIAL SYSTEM

- Indian Financial System – An Overview
- Banking Regulation
- Retail Banking, Wholesale and International Banking
- Role of Money Markets, Debt Markets & Forex Market
- Role and Functions of Capital Markets, SEBI
- Factoring, Forfaiting Services and Off-Balance Sheet items
- Risk Management, Basel Accords
- CIBIL, Fair Practices Code for Debt Collection, BCSB
- Recent Developments in the Financial System

MODULE B – FUNCTIONS OF BANKS

- Banker Customer Relationship
- KYC/ AML/ CFT norms
- Bankers' Special Relationship
- Consumer Protection - COPRA, Banking Ombudsman Scheme
- Payment and Collection of Cheques and Other Negotiable Instruments
- Opening accounts of various types of customers
- Ancillary Services
- Cash Operations
- Principles of Lending, Working Capital Assessment and Credit Monitoring
- Priority Sector Advances
- Agricultural Finance
- Micro, Small and Medium Enterprises
- Government Sponsored Schemes
- Self Help Groups
- Credit Cards, Home Loans, Personal Loans, Consumer Loans
- Documentation
- Different Modes of Charging Securities
- Types of collaterals and their characteristics
- Non-Performing Assets

- Financial Literacy

MODULE C – BANKING TECHNOLOGY

- Essentials of Bank Computerization
- Payment Systems and Electronic Banking
- Data Communication Network and EFT systems
- Role of Technology Upgradation and its impact on Banks
- Security Considerations
- Overview of IT Act
- Preventive Vigilance in Electronic Banking

MODULE D – SUPPORT SERVICES - MARKETING OF BANKING SERVICES/

PRODUCTS

- Marketing – An Introduction
- Social Marketing/ Networking
- Consumer Behavior and Product
- Pricing
- Distribution
- Channel Management
- Promotion
- Role of Direct Selling Agent/ Direct Marketing Agent in a bank
- Marketing Information Systems – a longitudinal analysis

MODULE E – ETHICS IN BANKS AND FINANCIAL INSTITUTIONS

- Ethics, Business Ethics & Banking: An Integrated Perspective
- Ethics at the Individual Level
- Ethical Dimensions: Employees
- Work Ethics and the Workplace
- Banking Ethics: Changing Dynamics

PAPER 2 – ACCOUNTING & FINANCE FOR BANKERS

MODULE A – BUSINESS MATHEMATICS AND FINANCE

- Calculation of Interest and Annuities
- Calculation of YTM
- Capital Budgeting
- Depreciation and its Accounting
- Foreign Exchange Arithmetic

MODULE B – PRINCIPLES OF BOOKKEEPING & ACCOUNTANCY

- Definition, Scope and Accounting Standards
- Basic Accountancy Procedures
- Maintenance of Cash/ Subsidiary Books and Ledger
- Bank Reconciliation Statement

- Trial Balance, Rectification of Errors and Adjusting & Closing Entries
- Capital and Revenue Expenditure
- Bills of Exchange

MODULE C – FINAL ACCOUNTS

- Balance Sheet Equation
- Preparation of Final Accounts
- Ratio Analysis
- Final Accounts of Banking Companies
- Company Accounts I & II
- Accounting in a Computerized Environment

MODULE D – BANKING OPERATIONS

- Banking Operations & Accounting Functions

PAPER 3 – LEGAL & REGULATORY ASPECTS OF BANKING

MODULE A – REGULATIONS AND COMPLIANCE

- Legal Framework of Regulation of Banks
- Control over Organization of Banks
- Regulation of Banking Business
- Returns Inspection, Winding up, Mergers & Acquisitions
- Public Sector Banks and Co-operative Banks
- Financial Sector Legislative Reforms
- Recent Legislative Changes in RBI Act
- Financial Sector Development Council

MODULE B – LEGAL ASPECTS OF BANKING OPERATIONS

- Different Types of Borrowers

- Types of Credit Facilities
- Secured and Unsecured Loans, Registration of Firms and Incorporation of Companies
- Indemnities
- Bank Guarantees
- Letters of Credit
- Deferred Payment Guarantees
- Laws Relating to Bill Finance
- Various Types of Securities
- Laws Relating to Securities and Modes of Charging – I
- Laws Relating to Securities and Modes of Charging – II
- Registration and Satisfaction of Charges
- Case Laws on Responsibility of Paying Bank
- Case Laws on Responsibility of Collecting Bank

MODULE C – BANKING RELATED LAWS

- Recovery of Debts due to Banks and Financial Institutions Act, 1993(DRT Act)
- Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI)
- Banking Ombudsmen Scheme
- Bankers Books Evidence Act, 1891
- The Legal Services Authorities Act, 1987
- The Consumer Protection Act, 1986 and CERSAI
- The Law of Limitation
- Tax Laws
- Negotiable Instruments Act, 1881
- Payment & Settlements Systems Act, 2007

MODULE D – COMMERCIAL LAWS WITH REFERENCE TO BANKING OPERATIONS

- Indian Contract Act, 1872
- The Sale of Goods Act, 1930
- Indian Partnership Act, 1932
- Definition and features of a company
- The Companies Act, 1956 (Now Companies Act, 2013)
- Foreign Exchange Management Act, 1999
- Transfer of Property Act, 1882
- The Right to Information Act, 2005
- Right to Information and Obligation of Public Authorities
- The Prevention of Money Laundering Act, 2002
- Information Technology Act, 2000