SYLLABUS FOR ASSOCIATE EXAMINATION JAIIB

Subjects
1) Principles of Banking
2) Accounting & Finance for Bankers
3) Legal Aspects of Banking

Objective: To provide basic knowledge in Banking and Financial Systems and to help the student in developing an extensive understanding of all aspects of banking.

Level: At par with Graduation from any University in India.

Question pattern: Objective type

Eligibility: Members of the Institute

PAPER 1 - PRINCIPLES OF BANKING

Candidates would be able to acquire an in-depth knowledge of
The legal and regulatory framework of the banking system.
The principles and importance of Credit, documentation, monitoring and control.
A broad understanding of other functions associated with banking.
An insight into marketing of banking services and banking technology

Module A – Indian Financial System
Introduction to the financial system: evolution of financial systems; recent developments in the INDIAN financial system; market structure and financial innovation. Role and Functions of banks - Regulatory provisions/enactments governing banks - RBI Major functions
Retail banking: Wholesale and international banking: the nature of wholesale banking; off-balance sheet business; international banking Financial Services Role and functions of Capital markets - Regulation thereof /Role and Functions of Mutual Funds - SEBI, AMFI etc./Role and Functions of Insurance Companies - IRDA Bancassurance, Factoring, Securitisation etc.

Module B - Functions of banks
Deposits:
Banker – Customer relation - Know your Customer[KYC] – Different Deposit Products - services rendered by Banks – Mandate and Power of attorney;
Banker’s lien - Right of set off - Garnishee Order - Income Tax Attachment Order etc.
Payment and collection of Cheque - duties and responsibilities of paying and collecting banker—protection available to paying and collecting banker under NI Act- endorsements-forged instruments-bouncing of cheques and their implications.
Opening of accounts for various types of customers - minors-joint account holders - HUF-firms - companies-trusts - societies - Govt. and public bodies

Credit:
Principles of lending - various credit facilities - working capital and term loans - Credit Appraisal Techniques - Approach to lending - credit management - credit monitoring - NPA - Recommendations of various Committees in the area of Credit - Different types of documents; Documentation Procedures; Stamping of documents.
Priority Sector Lending - sectors-targets - issues/problems - current guidelines - Bank’s performance - recent developments New Products & Services – Securitisation, Bancassurance, Mutual Funds etc.
Module C – Banking Technology
Different approaches to bank mechanisation – Core Banking Solutions - Stand alone computer systems - Wide area and local area networks - local processing and batch concepts; on-line systems - Mini computers and Main Frame networking systems.

Electronic Payment systems - Teller Machines at the Bank Counters - Cash dispensers - ATMs - Anywhere Anytime Banking - Home banking (Corporate and personal) - Online enquiry and update facilities - Personal identification numbers and their use in conjunction with magnetic cards of both credit and debit cards, smart cards, signature storage and display by electronic means, cheque truncation, microfiche, note and coin counting devices.
Electronic funds transfer systems - plain messages (Telex or data communication) - structured messages (SWIFT, etc...) – RTGS

Module D – Support Services- Marketing of Banking Services
MARKETING OF BANKING SERVICES
c) Pricing - Objectives, Strategies and Methods - Factors Influencing the Pricing Decisions, Importance of Pricing.
d) Distribution - Factors Influencing - Direct and Indirect Channels - Physical Distribution - Channel Functions and Services.
e) Promotion - Promotion Mix and Role of Promotion in Marketing - Marketing Information Systems.

Module A – Basics of Business Mathematics
2. Bonds - Calculation of YTM - Duration - Bond Pricing - Premium and Discount.
4. Depreciation - different types - methods of calculation.
Module B

Module C
1 Bank reconciliation statement – Trial Balance – Adjusting and Closing entries.
2 Capital & Revenue Expenditure/Depreciation/Inventory Valuation/Bill of Exchange / Consignment / Joint Venture.
3 Special accounts – Leasing and Hire-Purchase Company accounts – Accounts of Non-Trading Concerns – Receipts and Payments.

Module D
Preparation of Final Accounts – Final Accounts of Banking Companies.
Accounting in a computerised environment-methods-procedures-security rectification.

PAPER 3-LEGAL ASPECTS OF BANKING

Objectives:
The candidates would be able to acquire knowledge in
The legal and regulatory framework of the banking system
Various laws and enactments affecting day to day banking operations

1. Module A- Regulations and Compliance:
The questions in this section will be with reference to legal issues and problems
20 RULES AND SYLLABUS 2008 ASSOCIATE EXAMINATION 21

B. Government and RBI’s powers
- Opening of new banks and branch licensing
- Constitution of board of directors and their rights
- Banks share holders and their rights
- CRR/SLR concepts
- Cash/currency management
- winding up- amalgamation and mergers
- powers to control advances- selective credit control – monetary
  and credit policy
- Audit and Inspection
- supervision and control-board for financial supervision-its scope
  and role
- disclosure of accounts and balance sheets
- submission of returns to RBI etc

2. Module B - Legal aspects of banking operations
Case laws on responsibility of paying /collecting banker Indemnities/
  guarantees-scope and application-obligations of a banker-precautions and
  rights—laws relating to bill finance, LC and Deferred Payment Guarantees -
  Laws relating to securities-valuation of securities-modes of charging securities lien,
  pledge, mortgage, hypothecation etc-registration of firms/companies creation
  of charge and satisfaction of charge

3. Module C - Banking related laws
Provisions of Bankers Book Evidence Act
Special features of Recovery of Debts Due to Banks and Financial Institutions
Act, 1993
The Securitisation and Reconstruction of Financial Assets and Enforcement of
Security Interest Act, 2002 The Consumer Protection Act, 1986 Definition,
Consumer Protection Councils
ChapterII (Sections 4-8) Consumer Disputes Redressal Agencies (Sections 9-15)
District Forums, State Commission and National Commission, their powers etc.
Banking Ombudsman

4. Module D – Commercial Laws with reference to banking operations
Indian Contract Act, 1872 Chapters VII, IX and X: (Indemnity, Guarantee,
Bailment, Pledge and Agency)
22 RULES AND SYLLABUS 2008 ASSOCIATE EXAMINATION 23
The sale of Goods Act, 1930 (Sale and Agreement to Sell, Definitions, Conditions
and Warranties, Express and Implied, Right of unpaid Seller)
The Companies Act, 1956 Definition, features of company, Types of Companies,
Memorandum, Articles of Association, Doctrines of Ultravires, indoor
management and constructive notice, membership of company - acquisition cessation,
rights and duties of members and register of members. Prospects
and directors.
Indian Partnership Act, 1932 Definition and types of partnership, relation of
partners to one another -Relation of partners to third parties (Section 18 to 29)
Minor admitted to the benefits of Partnership (Section 30) Dissolution of firm
(Section 39 to 45) Effect of non-registration (Section 69) Transfer of property
act FEMA 2000.

CAIIB
Subjects
1. Risk Management
2. Financial Management
3. General Bank Management
Objective: To provide advanced knowledge in banking and financial systems
for better decision-making.
Level: At par with Post-Graduation from any University in India.
Question Pattern: Objective type.
2. Pass in JAIIB.

**PAPER 1 - RISK MANAGEMENT**

**Objectives**

The candidates would be able

1. to acquire a basic knowledge of various aspects of Risk management.
2. to understand the different dimensions of risk and its impact

**Module A: Asset Liability Management**

Banks Balance Sheet- Components of Assets/Liabilities and their management

**B. Government and RBI's powers**

- Opening of new banks and branch licensing
- Constitution of board of directors and their rights
- Banks share holders and their rights
- CRR/SLR concepts
- Cash/currency management
- winding up- amalgamation and mergers
- powers to control advances- selective credit control – monetary and credit policy
- Audit and Inspection
- supervision and control-board for financial supervision-its scope and role
- disclosure of accounts and balance sheets
- submission of returns to RBI etc

**2. Module B - Legal aspects of banking operations**

Case laws on responsibility of paying /collecting banker Indemnities/ guarantees-scope and application-obligations of a banker-precautions and rights—laws relating to bill finance, LC and Deferred Payment Guarantees - Laws relating to securities-valuation of securities-modes of charging securities-lien, pledge, mortgage, hypothecation etc-registration of firms/companiescreation of charge and satisfaction of charge

**3. Module C- Banking related laws**

Provisions of Bankers Book Evidence Act
Special features of Recovery of Debts Due to Banks and Financial Institutions Act, 1993
ChapterII (Sections 4-8) Consumer Disputes Redressal Agencies (Sections 9-15) District Forums, State Commission and National Commission, their powers etc.
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Memorandum, Articles of Association, Doctrines of Ultravires, indoor management and constructive notice, membership of company - acquisitioncession, rights and duties of members and register of members. Prospects and directors.

Indian Partnership Act, 1932 Definition and types of partnership, relation of partners to one another -Relation of partners to third parties (Section 18 to 29) Minor admitted to the benefits of Partnership (Section 30) Dissolution of firm (Section 39 to 45) Effect of non-registration (Section 69) Transfer of property act FEMA 2000.

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2. Financial Management
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The candidates would be able
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Module A: Asset Liability Management
Banks Balance Sheet- Components of Assets/Liabilities and their management

Module D: Working Capital and Term Lending.
Working Capital –Concept and management – Appraisal techniques- trade cycle- credit rating
Marginal Costing - Break Even Analysis
Capital Budgeting - Net present value-discounted cash flow etc
Cash Budget-profit planning- Risk Based pricing of products

PAPER 3- GENERAL BANK MANAGEMENT
Objectives
The candidates will be able to develop knowledge and understanding of a range of areas such as, International Banking, HRM, marketing, Banking technology related subjects specific to the career needs and to develop skill and competence to help successfully manage the diverse range of situations
which occur in a dynamic banking environment

Module A: International Banking
Factors determining exchange rates – national/international, political and Economic - Direct and indirect quotations - Spot rates, forward rates premium and discount and cross rates.
Basics of Derivatives-forward Exchange rates, Contracts, Currency options, Swaps and Interest rate swaps. Major Recommendations of the various Expert Group on Forex Markets,
Documentary letters of Credit- UCPDC 500)
Various facilities to Exporters and Importers including Forfaiting and factoring. Correspondent Banking – Bank accounts – NOSTRO and VOSTRO accounts – SWIFT, CHIPS, CHAPS, FEDWIRE.
NRI accounts – Indian rupee and Foreign Currency accounts.
Role of Exim Bank – Role of RBI and Exchange Control – Regulations of India, Role of FEDA and FEDA rules, Risk in Foreign Trade, Role of ECGC, Types of insurance and guarantee covers of ECGC.

Module B: Human Resources Management
Fundamentals of Human Resources management; relationship between HRM and HRD; structure and functions; role of the HRD professional; development of HRM in India.
HRM and information Technology; Information and database management;
HR research; Knowledge Management-
Development of Human resources; HRD sub systems; Training and Development; attitude development; role and impact of training; career path planning and counselling;
Human Implications of organisations; learning and instruction; employee behaviour; diversity and gender issues – ; theories of Motivation and their practical implications; Role concepts and analysis.
Self development; personnel research and survey; employee feedback survey;
Reward and compensation system.
Performance management and Appraisal systems; performance review and counselling–HRM issues in banks

Module C – Technology Management
RTGS- Infrastructure requirement-RTGS transactions-security features
SFMS-formats of SFMs-SFMS transactions-security aspects
RAS-requirements for RAS-Application- Security features of RAS
Digital Certificate-what is PKI,CCA,CA,RA-Types of digital certificateapplication of digital certificate-
IT ACT-electronic records-digital signature-application of electronic transactions
Cyber Law-its application –e commerce
IP Addressing-IP Addresses-Subnet mask
Core Banking-concept-benefits-branch coverage-schedules-creation of primary data centre-disaster recovery site-formation of steering committee-core committee- primary functions-formation of project management teamsimplementation team-specialised consultancy-infrastructure-softwarehardware- networking
Operating System-data base management- information system audit

Module D: Marketing Management
Introduction to Marketing management and key concepts-strategic marketing process-Situation Analysis-market segmentation-Marketing information and research-marketing mix-competition analysis-product strategy-product life cycleproduct mix-branding-pricing strategy-pricing decisions—distribution strategychannels
Module D: Working Capital and Term Lending.

Working Capital – Concept and management – Appraisal techniques - trade cycle- credit rating
Marginal Costing - Break Even Analysis
Capital Budgeting - Net present value-discounted cash flow etc
Cash Budget-profit planning- Risk Based pricing of products

PAPER 3- GENERAL BANK MANAGEMENT

Objectives
The candidates will be able to develop knowledge and understanding of a range of areas such as, International Banking, HRM, marketing, Banking technology related subjects specific to the career needs and to develop skill and competence to help successfully manage the diverse range of situations which occur in a dynamic banking environment

Module A: International Banking

Factors determining exchange rates – national/ international, political and economic - Direct and indirect quotations - Spot rates, forward rates premium and discount and cross rates.
Documentary letters of Credit (UCPDC 500)
Various facilities to Exporters and Importers including Forfaiting and factoring.
Correspondent Banking - Bank accounts – NOSTRO and VOSTRO accounts – SWIFT, CHIPS, CHAPS, FEDWIRE.
NRI accounts – Indian rupee and Foreign Currency accounts.
Role of Exim Bank – Role of RBI and Exchange Control – Regulations of India, Role of FEDAI and FEDAI rules, Risk in Foreign Trade, Role of ECGC, Types of insurance and guarantee covers of ECGC.

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RAS-requirements for RAS-Application- Security features of RAS
Digital Certificate-what is PKI,CCA,CA,RA -Types of digital certificate application
Module D: Marketing Management
Introduction to Marketing management and key concepts - strategic marketing process - Situation Analysis - market segmentation - Marketing information and research - marketing mix - competition analysis - product strategy - product life cycle - product mix - branding - pricing strategy - pricing decisions - distribution strategy - channels of distribution - and their functions - ATM - telebanking - direct marketing

Module D: Working Capital and Term Lending.
Working Capital - Concept and management - Appraisal techniques - trade cycle - credit rating
Marginal Costing - Break Even Analysis
Capital Budgeting - Net present value - discounted cash flow etc
Cash Budget - profit planning - Risk Based pricing of products

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PAPER 3- GENERAL BANK MANAGEMENT
Objectives
The candidates will be able to develop knowledge and understanding of a range of areas such as, International Banking, HRM, marketing, Banking technology related subjects specific to the career needs and to develop skill and competence to help successfully manage the diverse range of situations which occur in a dynamic banking environment

Module A: International Banking
Factors determining exchange rates - national / international, political and Economic - Direct and indirect quotations - Spot rates, forward rates premium and discount and cross rates.
Basics of Derivatives - forward Exchange rates, Contracts, Currency options, Swaps and Interest rate swaps. Major Recommendations of the various Expert
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Documentary letters of credit (UCPDC 500)

Various facilities to exporters and importers including Forfaiting and factoring.

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Role of FEDAI and FEDAI rules, Risk in Foreign Trade, Role of ECGC, Types of insurance and guarantee covers of ECGC.

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IT ACT-electronic records-digital signature-application of electronic transactions

Cyber Law-its application – e commerce

IP Addressing-IP Addresses-Subnet mask

Core Banking-concept-benefits-branch coverage-schedules-creation of primary data centre-disaster recovery site-formation of steering committee-core committee- primary functions-formation of project management teamsimplemnetation team-specialised consultancy-infrastructure — software-hardware-networking

Operating System—data base management- information system audit

Module D: Marketing Management

Introduction to Marketing management and key concepts-strategic marketing process-Situation Analysis—market segmentation-Marketing information and research-marketing mix-competition analysis-product strategy-product life cycle-product mix-branding-pricing strategy-pricing decisions—distribution strategy

channels of distribution—and their functions-ATM-telebanking-direct marketing

promotion strategy-Advertising and sales promotion-communication—publicity-public relations—selling-HRD and marketing

RECOMMENDED READING
“The Institute has prepared comprehensive study material in the form of kits modelled on IGNOU pattern to facilitate preparation for the examination without intervention of teacher. An attempt has been made to cover fully in the writeups the syllabus prescribed for each subject/paper. The presentation of topics in the self study material may not always be in the same sequence as given in the syllabus. The study material is available at M/s. Macmillan Ltd. (<b>English Medium</b>) & M/s. Taxmann Ltd. (<b>Hindi Medium</b>) outlets. Candidates are also expected to take note of all the latest developments relating to the subjects covered in the syllabus by referring to Economic Journals, Financial Papers, latest books and publications on the subjects concerned.”

A. Flagship Courses (Only for members*)
B. Specialised Post Graduate Diploma Courses (for Members and Non-Members**)
C. Specialised Certificate Courses (for Members and Non-Members**)

Associate Examination
JAIIB
CAIIB
Post Graduate Diploma in Treasury, Investment and Risk Management (PGDTIRM)
Post Graduate Diploma in Banking Technology (PGDBT)
Post Graduate Diploma in International Banking and Finance (PGDIBF)
Post Graduate Diploma in Urban Cooperative Bank (PGDUCB)
Post Graduate Diploma in Commodity Derivatives for Bankers (PGDCDB)
Post Graduate Diploma for Micro Finance Professionals in collaboration with Sa-Dhan (PGDMFP)
Post Graduate Diploma in Financial Advising (PGDFA)
Certificate in Trade Finance (CTF)
Certified Information System Banker (CeISB)
Certificate in Anti-Money Laundering / Know Your Customer (AML/KYC)
Certificate in Quantitative Methods for Bankers (CQM)
Certified Home Loan Advisor (CHLA)
Certificate in Credit Cards for Bankers (CCCB)
Joint Certificate in various aspects of
banking, in collaboration with American Bankers Association (JCABA)
Certificate Examination in Banking Oriented Paper in Hindi (BOPH)
Certificate Examination for DSA / DMA
Certificate Examination in Basics of Banking for employees of IT Companies
Diploma in Banking&Finance (DBF)
Advanced Diploma in Banking Technology (with PNB-IT) – An entry point qualification
Project Management Blended Course with IFMR, Chennai
CAIIB linked MBA with IGNOU.

D. Specialised Diploma Course For Non-Members **
E. Management Courses
Educational support :
Other activities :
Members are employees of Banks and Financial Institutions who have enrolled as members of IIBF.
Non-Members are eligible candidates for each course / examination without IIBF Membership.

www.iibf.org.in

Publishing specific courseware for each paper/examination and Workbooks etc.
Tutorials through Accredited Institutions, Virtual Classes, e-learning through portal, Contact classes or campus training
Model Questions and subject updates on the net
Research, Seminars, Conferences, Lectures, etc.
Publications of books, Daily e-newsletter, monthly newsletter and quarterly journal
Training and Consultancy and Financial Education
The Syllabi, Rules / Regulations, Examination forms and other information pertaining to the examinations are available with Institute’s offices at Mumbai, Chennai, New Delhi, Kolkata and also at such other centers / offices as may be notified from time to time. The same is also available at our website
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