DSE (Stream)- Banking and Insurance

Regulatory Framework of Banking and Insurance

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Regulatory Framework of Banking and Insurance	4	3	1	0	Pass in Class XII	NIL

Learning Objectives

The objective of this course is to develop a comprehensive understanding of the structure, regulation, and functioning of the banking and insurance system in India.
It also aims to equip learners with the ability to interpret key laws and apply regulatory concepts in practical financial and legal contexts.

Learning Outcomes

After completion of the course, learners will be able to:
1. Explain the structure, evolution, and regulatory framework of the Indian banking and insurance system.
2. Interpret and apply key provisions of major banking and insurance laws (e.g., RBI Act, Banking Regulation Act, Insurance Act).
3. Analyze negotiable instruments and evaluate legal responsibilities of parties involved in banking transactions.
4. Assess the role of global financial institutions and Basel norms in international banking regulation and stability.
5. Evaluate insurance regulations and consumer protection mechanisms in India across different insurance products.

Unit 1: Overview of Banking System and Regulatory Framework (9 hours)

History and evolution of banking in India, structure of banking sector in India, Role of banking sector in economic development. Provisions of RBI Act 1935, Banking Regulation Act 1949 and Deposit Insurance Corporation Act 1961, Payment and Settlement Systems Act, 2007.

Unit 2: Negotiable Instrument Act, 1881(9 hours)
Meaning and kinds of Negotiable Instruments, transfer and negotiation, holder and holder in due course, presentation and payment, liabilities of parties, material alteration, noting and protest, paying banker and collecting banker, Penal provisions under Negotiable Instrument Act, Bankers Book Evidence Act.

Unit 3: International Banking (9 hours)
International Banking Supervision: BASEL Framework. Role of Institutions: Bank for International Settlements (BIS), International Monetary Fund (IMF), Nes Development Bank (NDB) for BRICS, Asian Development Bank (ADB), World Bank.

Unit 4:
(A) Insurance Regulatory and Development Authority Act,1999 (9 hours)
Definitions, coverage and objects of the Act; Salient features of IRDA,1999; Establishment and incorporation of Authority; Duties, power and functions of Authority, Composition of Fund, Power of Central Government under the Act, Protection of Consumer interest under IRDA,1999. Establishment of Insurance Advisory Committee.
(B) Insurance Legislations (9 hours)
Salient provisions of Insurance Act, 1938; Life Insurance Corporation Act, 1956: establishment and incorporation, constitution and functions of the corporation; Constitution of Tribunals; The General Insurance Business (Nationalisation) Act, 1972, definitions and salient features. Brief introduction of Marine, fire, water, motor, health insurances etc.

Exercises:
The learners are required to:
1. Analyze a cheque dishonour case under the Negotiable Instruments Act and identify legal liabilities of parties. Submit a brief note with reasoning.
2. Prepare a sample cheque and demonstrate endorsement and transfer process. Explain roles of paying and collecting banker.
3. Discuss roles of RBI, IRDAI, and global institutions. Explain their key functions.
4. Compare two insurance policies based on premium, coverage, and claim process. Recommend the better option with justification.
5. Interact with a bank/insurance office or use online sources to study customer services. Report key observations.

Suggested Readings

- Bhatiya, N. (2018). Insurance & Risk Management, New Delhi: Pinnacle Learning.
- Chaturvedi D.D. & Mittal, A. (2021). Banking and Insurance, New Delhi: Scholar Tech Press.
- Farooqi, A.W. (2018). Principle and Practice of Insurance. New Delhi: Wisdom Publication.
- Goyal, L.C. (2017). The law of banking and bankers. Delhi, India: Eastern Law House.
- Gupta A. (2018). Banking & Insurance, New Delhi: A.K. Publications.
- Kumar, S. (2018). Essentials of banking laws and practice. Delhi, India: JSR Publishers.
- Kumar, S. (2019). Fundamentals of Insurance & Risk Management. New Delhi: JSR Publication.
- Sethi, J. & Bhatiya, N. (2019). Elements of Banking and Insurance. New Delhi: PHI learning Pvt. Ltd..
- Sundharam, K.P.M., & Varshney, P.N. (2016). Banking theory, law and practice. Delhi, India: Sultan Chand and Sons.
- Suneja, H.R. (2019). Practical and law of banking. Delhi, India: Himalaya Publishing House.
- Tannan, M.L. (2020). Banking law and practice in India. New York, United States: Lexis Nexis.

Additional Resources

- Banking and Insurance Law and Practice, The Institute of Company Secretaries of India, New Delhi, 2020.
- Imam, A. (2016). Principles and Practice of Life Insurance in India. New Delhi: Anmol Publications Pvt. Ltd.
- Kumar, V. P. (2017). Banking and negotiable instruments- Law and practice. Delhi, India: Eastern Book Company.
- Loomba, J. (2017). Risk Management and Insurance Planning. New Delhi: PHI Learning Private Limited.
- Singh, I. & Katyal, R. (2019). Insurance Principles and Practice. New Delhi: Kalyani Publishers.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on the Department's website.