

# BANKING

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## PREFACE

There are many excellent text books on Banking written by well known British and American writers. However, none of these can claim to cover the entire course of study prescribed by the Indian Universities. Moreover, most of these books are above the understanding of an average Indian student of Commerce and Economics. The present book is a humble effort in this direction.

On account of the growing importance of the banking industry, most of the Indian Universities have introduced a special paper on Banking for their degree students. The present volume has been made to cover the syllabi of B.Com., B.B.M., M.B.A., M.Com., M.A., L.L.B., etc. In addition, I hope, it will also be of benefit to candidates appearing for various competitive examinations such as I.A.S., I.E.S., C.A., N.E.T., and I.I.B. examinations. The present volume contains 19 chapters devoted mainly to the study of Commercial Banks, Central Bank, Reserve Bank of India, State Bank of India, Money and Capital Markets, Indian Banking Systems, Banker and Customer Relationship, Operation of Bank Accounts, Collection and Payment of Cheques, Loans and Advances, Types of Securities, Modes of Creating Charge, Guarantee, Letter of Credit, Accounts and Audit of Banks. The last chapter contains multiple choice and short-type questions for the benefit of the candidates who want a deeper insight into Banking.

While preparing this book, I have collected the relevant material from government publications, published and unpublished sources, books, journals and articles by eminent scholars. My Principal, colleagues and friends have offered me valuable suggestions in the preparation of the manuscript. My sincere thanks are due to all of them.

I have a great pleasure in expressing my profound gratitude to my revered Research Supervisor Dr. S. Mahendra Kumar M.A., Ph.D., Department of Economics, Manasagangothri, Mysore, who has contributed a lot for improving the quality of this volume. He has always been a source of constant inspiration to me as a friend, philosopher and guide. I also express my deep sense of gratitude to Dr. Gopal Singh, Co-ordinator, DOS in Economics, Govt. Arts College, Hassan, Dr. K. A. Rajanna, Prof. H.K. Lalithadavi, Sri. Mahalinga (Sapna Book House); Bangalore, H.S. Ravindra, Channarayapattna, Prof. K.T. Krishnegowda, R. Radhakrishna Hassan; Sudharshan,

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I also express my grateful thanks to New Age International Publishers, New Delhi for bringing out this book in a record time. Thanks are also due to Madusudan, DATA LINK, Bangalore for typing the manuscript with efficiency and patience.

Last, but not the least, I acknowledge with a sense of gratitude the services of my wife, Smt. **Sujatha Somashekar** and my son, **N.S. Swaroop**, who not only left no stone unturned in providing me a congenial atmosphere for studies at home, but also relieved me from a number of family responsibilities and even more, at times, directly helped me in my work.

Any suggestion for enhancing the value of the book from students and teachers, would be most welcome and would be kept in view at the time of bringing out the second edition. With these words, I present this book to students, who alone will judge its worth.

**Ne. Thi. Somashekar**

# CONTENTS

*Preface*

*vii*

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<b>CHAPTER -1: COMMERCIAL BANKING</b>	<b>1-26</b>
<b>INTRODUCTION</b>	<b>1</b>
Meaning	1
Definition of a Bank	1
<b>TYPES OF BANKS</b>	<b>2</b>
<b>FUNCTIONS OF COMMERCIAL BANKS</b>	<b>4</b>
<b>SOURCES OF BANK'S INCOME</b>	<b>9</b>
<b>INVESTMENT POLICY OF BANKS</b>	<b>10</b>
<b>BALANCE SHEET OF THE BANK</b>	<b>12</b>
Liabilities	12
Assets	14
<b>CREDIT CREATION</b>	<b>15</b>
Basis of Credit Creation	15
Process of Credit Creation	16
Leaf and Cannon Criticism	18
Limitation on Credit Creation	18
<b>UNIT BANKING Vs BRANCH BANKING</b>	<b>20</b>
A. Unit Banking	20
B. Branch Banking System	22
<b>COMMERCIAL BANKS AND ECONOMIC DEVELOPMENT</b>	<b>24</b>
Conclusion	26

---

<b>CHAPTER-2: CENTRAL BANKING</b>	<b>27-45</b>
<b>INTRODUCTION</b>	<b>27</b>
Meaning of Central Bank	27
Definition of Central Bank	27
Functions of the Central Bank	28

<b>CREDIT CONTROL</b>	<b>31</b>
Objectives of Credit Control	32
Methods of Credit Control	32
Meaning	33
Theory of Bank Rate	33
Working of Bank Rate	34
The Process of Bank Rate Influence	34
Bank Rate Under the Gold Standard	34
Conditions for the Success of the Bank Rate Policy	34
Limitations	35
Meaning	36
Theory of Open Market Operations	36
Objectives of Open Market Operations	37
Conditions for the Success of Open Market Operations	37
Popularity of Open Market Operations	38
<b>A. Variable Cash Reserve Ratio</b>	39
Meaning	39
<b>B. Theory of Variable Reserve Ratio</b>	39
Working of Variable Reserve Ratio	40
Limitations	41
Selective or Qualitative Methods	41
Objectives	42
Measures of Selective Credit Control	42
Conclusion	45
<hr/>	
<b>CHAPTER-3: RESERVE BANK OF INDIA</b>	<b>47-75</b>
<b>INTRODUCTION</b>	<b>47</b>
Capital	48
Organisation	48
Offices of the Bank	49
Departments of the Reserve Bank	50
Functions of the Reserve Bank	51
<b>CREDIT CONTROL</b>	<b>58</b>
Weapons of Credit Control	58
<b>METHODS OF SELECTIVE CREDIT CONTROLS ADOPTED BY RESERVE BANK</b>	<b>61</b>
Limitations of Selective Controls in India	63
<b>MONETARY POLICY OF THE RESERVE BANK OF INDIA</b>	<b>64</b>
Reserve Bank of India and Monetary Controls	64
Limitations of Monetary Policy	66
Chakravarthy Report on the Working of the Monetary System	67
The Narasimham Committee Report (1991)	68
Recommendations of the Committee	68
The Goiporia Committee Report (1991)	70
Recommendations of Goiporia Committee	70
The Narasimham Committee Report (1998)	71

<b>ROLE OF RBI IN ECONOMIC DEVELOPMENT</b>	<b>71</b>
Contribution to Economic Development	72
Conclusion	75
<hr/>	
<b>CHAPTER-4: STATE BANK OF INDIA</b>	<b>77-81</b>
<b>INTRODUCTION</b>	<b>77</b>
Capital	77
Management	77
Functions	78
Role of the State Bank in Economic Development	79
Conclusion	80
<hr/>	
<b>CHAPTER-5: MONEY MARKET AND CAPITAL MARKET</b>	<b>83-105</b>
<b>INTRODUCTION</b>	<b>83</b>
Money Market	83
Functions of Money Market	83
Composition of the Money Market	84
Financial Institutions of the Money Market	85
Characteristics of a Developed Money Market	86
Usefulness of a Developed Money Market	87
Structure of the Money Market	88
Characteristics of Indian Money Market	89
Defects of Indian Money Market	89
Measures for Improvement of the Money Market	91
Suggestions to Remove Defects in the Indian Money Market	93
The Repo Market	95
The Commercial Bill Market	96
The Certificate of Deposit (CD) Market	97
The Commercial Paper Market	98
Money Market Mutual Funds	98
Capital Market	99
Classification of Indian Capital Market	99
Importance of Capital Market	100
Functions of Capital Market	100
Structure of Indian Capital Market	101
Components of Indian Capital Market	101
Recent Trends in the Capital Market	102
Comparison of Money Market and Capital Market	104
Conclusion	105
<hr/>	
<b>CHAPTER-6: STRUCTURE OF BANKING IN INDIA</b>	<b>107-137</b>
<b>INTRODUCTION</b>	<b>107</b>
<b>1. INDIGENOUS BANKS</b>	<b>107</b>
Meaning	109
Groups	109
Types	109

Functions of Indigenous Bankers	109
Defects of Indigenous Bankers	110
Indigenous Bankers and the Reserve Bank	111
Suggestions for Reform	111
<b>2. MONEYLENDERS</b>	<b>112</b>
Features of Moneylenders	112
Differences Between Moneylenders and Indigenous Bankers	112
Defects of Moneylenders	113
<b>3. CO-OPERATIVE BANKS</b>	<b>113</b>
Meaning	114
Structure of Co-operative Banks	114
Progress of PACS	115
Shortfalls PACS	116
Functions	116
Progress of CCBs	117
Defects of CCBs	117
Functions	118
Defects	118
Progress	118
Present Position of Co-operative Banks	118
Importance or Benefits of Co-operative Banks	119
Problems or Weaknesses of Co-operative Banks	119
Suggestions for the Improvement of the Co-operative Credit Structure	120
<b>4. LAND DEVELOPMENT BANK</b>	<b>121</b>
Sources of Funds	122
The Working of the LDBs	122
Progress	122
Defects	122
Suggestions for Improvement	123
<b>5. REGIONAL RURAL BANKS</b>	<b>123</b>
Objectives of Regional Rural Banks	123
Capital Structure	124
Features of Regional Rural Banks	124
Functions of Regional Rural Banks	124
Progress Achieved by Regional Rural Banks	124
Problems	125
Suggestions for Reorganisation and Improvement	127
<b>6. NABARD</b>	<b>128</b>
Objectives	128
NABARD's Financial Resources	128
Management	128
Functions of NABARD	129
Achievements of NABARD	130
<b>7. COMMERCIAL BANKS</b>	<b>132</b>
Nationalisation of Banks	132
Achievements of Nationalised Banks	132

<b>8. CREDIT CARDS</b>	<b>136</b>
Advantages of Credit Cards	136
Limitations or Drawbacks of Credit Cards	136
Conclusion	136
<hr/>	
<b>CHAPTER-7: DEVELOPMENT BANKS</b>	<b>139-158</b>
<b>INTRODUCTION</b>	<b>139</b>
Meaning	139
Features	139
Important Development Banks in India	140
<b>1. INDUSTRIAL FINANCE CORPORATION OF INDIA LTD.</b>	<b>140</b>
Functions of the IFCI	141
Financial Resources of IFCI	141
Lending Operations of IFCI	142
Appraisal of IFCI's Performance	142
<b>2. THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD.</b>	<b>143</b>
Financial Resources of ICICI	143
Lending Operations of ICICI	143
Appraisal of ICICI's Performance	144
<b>3. STATE FINANCIAL CORPORATIONS</b>	<b>145</b>
<b>4. THE INDUSTRIAL DEVELOPMENT BANK OF INDIA</b>	<b>148</b>
Financial Resources of IDBI	148
Cumulative Assistance by IDBI	148
Composition of Financial Assistance	149
Promotional Functions of the IDBI	150
Critical Appraisal	150
<b>5. SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA</b>	<b>151</b>
Financial Resources of SIDBI	151
Financial Assistance by SIDBI	151
<b>6. THE INDUSTRIAL RECONSTRUCTION BANK OF INDIA (IRBI)</b>	<b>151</b>
<b>7. THE STATE INDUSTRIAL DEVELOPMENT CORPORATIONS (SIDCS) AND THE STATE INDUSTRIAL INVESTMENT CORPORATIONS (SIICS)</b>	<b>151</b>
<b>8. UNIT TRUST OF INDIA</b>	<b>153</b>
Present Position	153
<b>9. LIFE INSURANCE CORPORATION OF INDIA (LIC)</b>	<b>154</b>
Present Position	155
<b>10. THE EXPORT-IMPORT BANK OF INDIA (EXIM BANK)</b>	<b>156</b>
Functions of the EXIM Bank	156
Present Position	156
Conclusion	157
<hr/>	
<b>CHAPTER-8: BANKER AND CUSTOMER</b>	<b>159-184</b>
<b>INTRODUCTION</b>	<b>159</b>
Meaning and Definition of a Banker	159



Meaning and Definition of a Customer	161
Special Types of Customers	163
Legal Provisions Regarding Guardianship of a Minor	164
The Banker-Customer Relationship	171
<b>A. General relationship, and B. Special relationship</b>	<b>171</b>
1. Primary relationship	171
2. Secondary relationship	172
Obligations of Bankers	179
1. Obligation to Honour the Customer's Cheques	179
2. Obligation to Maintain Secrecy of Customer's Account	181
3. Obligation to Receive Cheques and Other Instruments for Collection	182
4. Obligation to Give Reasonable Notice before Closing the Account	182
Obligations of Customers	183
Conclusion	183
<hr/>	
<b>CHAPTER-9: OPENING AND OPERATING BANK ACCOUNTS</b>	<b>185-196</b>
<b>INTRODUCTION</b>	<b>185</b>
Types of Accounts	185
Procedure of Opening Current and Savings Accounts	189
Forms Used in Operation of Bank Account	191
Closing of a Bank Account	192
Insurance of Bank Deposit	193
Deposit Insurance and Credit Guarantee Corporation (DICGC)	193
Objectives	193
Credit Guarantee Function	193
Nomination Facility	194
Non-Resident Account	195
Recent Development	195
Conclusion	196
<hr/>	
<b>CHAPTER-10: PASS BOOK</b>	<b>197-202</b>
<b>INTRODUCTION</b>	<b>197</b>
Meaning of Pass Book	197
Object or Purpose of Pass Book	198
Statement of Account	198
Examination of Entries	198
Legal Position of Entries in the Pass Book	199
Effect of Entries in the Pass Book	199
Precautions in Writing a Pass Book	201
Conclusion	202
<hr/>	
<b>CHAPTER-11: CHEQUES</b>	<b>203-220</b>
<b>INTRODUCTION</b>	<b>203</b>
Meaning	203

---

Definition	204
Essentials	204
Types of Cheques	205
Uses of a Cheque	206
Advantages of Using Printed Forms	206
Parties to a Cheque	207
<b>MATERIAL ALTERATIONS</b>	<b>207</b>
Alteration	207
Material Alteration	207
Examples of Material Alterations	207
Examples of Authorised Alterations	208
Examples of Non-material Alterations	208
Effects of Material Alteration	208
<b>CROSSING OF CHEQUES</b>	<b>209</b>
Meaning of Crossing	209
Types of Crossing	209
Special Crossing	210
Other Types of Crossing	211
Significance of Crossing	212
<b>ENDORSEMENT</b>	<b>213</b>
Definition of Endorsement	213
Essentials of a Valid Endorsement	213
Kinds of Endorsement	214
Legal Effects of an Endorsement	215
Differences Between a Bill of Exchange and Cheque	215
Distinguish Between a Cheque and a Promissory Note	216
<b>HOLDER AND HOLDER IN DUE COURSE</b>	<b>217</b>
Holder	217
Holder in Due Course	217
Privileges of a Holder in Due Course	218
Distinction Between Holder and Holder in Due Course	219
Conclusion	220

---

<b>CHAPTER-12: THE PAYING BANKER</b>	<b>221-229</b>
<b>INTRODUCTION</b>	<b>221</b>
Meaning	221
Precautions for Payment of Cheques	222
Precautions	222
Statutory Protection	225
Protection Available Under the Negotiable Instruments Act	225
Dishonour of Cheques	227
When a Banker can Dishonour Cheques	228
Bank's Remarks on Dishonoured Cheques	229
Conclusion	229

---

<b>CHAPTER-13: COLLECTING BANKER</b>	<b>231-238</b>
<b>INTRODUCTION</b>	<b>231</b>
Meaning	231
Collecting Banker as Holder for Value	231
Collecting Banker as an Agent of the Customer	232
Conversion	233
Statutory Protection to Collecting Banker	233
Duties and Responsibilities of a Collecting Banker	235
Marking of Cheque	236
Who Can Get the Cheque Marked?	236
Conclusion	237

---

<b>CHAPTER-14: LOANS AND ADVANCES</b>	<b>239-247</b>
<b>INTRODUCTION</b>	<b>239</b>
General Rules of Sound Lending	239
Forms of Lending (Advances)	241
Merits of Granting Loans	242
Demerits	242
Merits of Cash Credit	243
Demerits	243
Distinction Between Loan and Cash Credit	244
Distinction Between Cash Credit and Overdraft	244
Types of Loans and Advances	245
Determining Creditworthiness	246
Sources of Credit Information	246
Conclusion	247

---

<b>CHAPTER-15: TYPES OF SECURITIES</b>	<b>249-268</b>
<b>INTRODUCTION</b>	<b>249</b>
Characteristics of Good Security	249
General Principles of Secured Advances	250
Types of Securities on which Loans or Advances can be Granted	251
Precautions	257
Merits of Advances Against Stock Exchange Securities	258
Risks in Advancing Against Securities	259
Precautions to be Taken in Advancing Against Securities	259
Precautions in Advancing Against Real Estate	262
Merits of Life Insurance Policy as a Security	264
Demerits of Policies as Securities	264
Precautions in Advancing Against LIC Policies	265
Precautions in Advancing Against Fixed Deposit Receipt	266
Precautions in Advancing Against Book Debts	267
Conclusion	268

---

<b>CHAPTER-16: MODES OF CREATING CHARGE</b>	<b>269-280</b>
<b>INTRODUCTION</b>	<b>269</b>
Modes of Creating Charge	269
Difference Between Pledge and Lien	270
Who can Pledge the Goods?	271
Right and Obligations of Pledger	272
Rights	272
Obligations (Duties)	272
Right and Obligations of Pledgee or Pawnee	272
Obligation and Duties of Pledgee	273
Essential Features of a Mortgage	273
Types of Mortgages	274
Legal and Equitable Mortgage	276
Merits of Equitable Mortgage over the Legal Mortgage	276
Demerits of Equitable Mortgage over the Legal Mortgage	276
Rights of Mortgager	277
Rights of Mortgagee (Banker)	277
Precautions to be Taken by a Banker in Case of Lending Against Hypothecation	278
Conclusion	279

---

<b>CHAPTER-17: GUARANTEES</b>	<b>281-291</b>
<b>INTRODUCTION</b>	<b>281</b>
Meaning	281
Definition	281
Necessity for Bank Guarantee	282
Essentials of a Valid Guarantee	282
Kinds of Guarantees	283
Contract of Guarantee	285
Purpose of the Contract	286
Contract of Indemnity	286
Parties to Indemnity	286
Analysis of the Definition	286
Difference between Contract of Guarantee and a Contract of Indemnity	287
Rights of the Surety	287
Liability of the Surety	288
Rights of the Banker	288
Liabilities of the Banker (Obligation)	288
Merits and Demerits of Guarantee	289
Merits of Guarantee	289
Demerits of Guarantee	289
Precautions to be Taken by the Banker in a Contract of Guarantee	290
Conclusion	291

---

<b>CHAPTER-18: LETTER OF CREDIT</b>	<b>293-300</b>
<b>INTRODUCTION</b>	<b>293</b>
Definition	293
Types of Letters of Credit	294
I. <i>Travellers' Letter of Credit</i>	295
II. <i>Commercial Letter of Credit</i>	296
Types of Letters of Commercial Credit	296
Opening a Letter of Credit	298
<b>ADVANTAGES OF LETTER OF CREDIT</b>	<b>299</b>
Advantages to the Exporter	299
Advantages to the Importer	299
Conclusion	300

---

<b>CHAPTER-19: ACCOUNTS AND AUDIT OF BANKS</b>	<b>301-309</b>
<b>INTRODUCTION</b>	<b>301</b>
Salient Features of Bank's Accounts	301
Books of Account (Section 209)	302
Books shall Give a True and Fair View	302
Preservation of Books	302
Persons Responsible to Keep the Books	302
Penalty	302
Inspection of Books of Account	303
Books to be Maintained	303
Final Accounts	306
Preparation of Balance Sheet and Profit and Loss Account (Sec. 47)	306
Form of Balance Sheet and Profit and Loss Account	306
Signing of Balance Sheet and Profit and Loss Account	306
Audit of Bank Accounts	306
Audit of Accounts (Section 30)	306
Publication and Filing of Accounts (Section 30)	307
Penalty	309
Conclusion	309

---

<b>MULTIPLE CHOICE QUESTIONS WITH ANSWERS</b>	<b>311-358</b>
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