

# NIRMA UNIVERSITY

<b>Institute:</b>	Institute of Commerce
<b>Name of Programme:</b>	B.Com. (Hons.)
<b>Course Code:</b>	4CC201IE25
<b>Course Title:</b>	Financial Management in Banks
<b>Course Type:</b>	Institute Elective- Disciplinary Minor
<b>Year of introduction:</b>	2025-26

L	T	Practical component				C
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## Course Learning Outcomes (CLO):

After successful completion of this course, students will be able to:

1.	Demonstrate understanding of financial management of banks.	BL-2
2.	Apply treasury management strategies to optimize financial operations	BL-3
3.	Apply risk management techniques to mitigate financial, operational, and market risks in banks.	BL-3
4.	Analyse liquidity and credit management of banks	BL-4
5.	Evaluate the asset liability management of banks	BL-5

## Content

## Teaching Hours

### Unit I: Overview of Financial Management in Banks

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- Bank Managerial Finance v/s Corporate Finance Indicators
- Bank Financial Managers Priorities
- Financial Model of Banking Companies

### Unit II: Liquidity and Credit Management

10

- Purpose, Types & Measurement of Liquidity risk.
- Ratios in respect of Liquidity Risk Management and Stress Testing.
- Credit Risk Identification, Measurement.
- Credit Control and Monitoring at Portfolio Level

### Unit III: Treasury Management

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- Concept and Function
- Instruments for Treasury Management: Treasury bills, money market instruments such as CDs, CPs, IBPs Securitisation and Forfaiting; refinance and rediscounting facilities.
- Control and supervision of treasury management, International Equity and Debt Products.

#### **Unit IV: Risk Management**

10

- Concept of Risk, Types of risks associated with Banks
- Liquidity Risk Management: Need & Importance, Drivers and Management
- Market Risk identification, its measurement and management
- Credit risk - rating methodology, risk weights, eligible collateral for mitigation, guarantees; Active Credit Portfolio Management.
- Use of Derivatives in Risk Management: Stock options, debt instruments, bond portfolio strategy, risk control and hedging instruments.

#### **Unit V: Asset Liability Management and Non-Performing Assets**

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- Meaning, Purpose and Significance
- Capital Adequacy – Basel Norms, Scope of Application
- Gap and Profitability Analysis: Mechanics, Assumptions, Limitations of Actual Gap Reports
- Asset Classification: Provisioning, Effect of NPA on profitability

#### **Suggested Readings:**

1. Hatler, G. O. (1991). *Bank Investments & Funds Management*. Education Policy & Development. American Bankers Association. United States.
2. Indian Institute of Banking and Finance. (2023). *Bank Financial Management*. 1<sup>st</sup> ed. Macmillan Publisher. Noida.
3. Indian Institute of Banking and Finance. (2023). *Treasury Management*. 3<sup>rd</sup> ed. Macmillan Publisher. Noida.
4. Joshi, V. C., & Joshi, V. V. (2009). *Managing Indian Banks: The Challenges Ahead*. SAGE Publications. New Delhi.
5. Rose, P. & Hudgins, S. (2024). *Bank Management and Financial Services*. (9<sup>th</sup> Edition) McGraw Hill. Noida.
6. Srivastava, R. M. (2022). *Management of Indian Financial Institutions*. Himalaya publishing. Nagpur.

w.e.f. Academic Year 2025-26 and onwards

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