

Syllabus for M.Com (Banking & Insurance)

Course Name: Risk Management in Banking
and Insurance

Semester: II

Course Code: 203

Marks Distribution: 20+80

- Unit- I: Asset Liability Management (ALM)- Introduction ALM, Meaning, Significance0 Objective; Analyzing Bank performance using the Assets Liability Management Techniques- components of Books- Financial Statements- Balance Sheet- Relationship between the Balance sheet and the income statements. Return on Equity Management Risks and Returns (profitability, Liquidity, Solvency, Trade- off) Credit Risk- CAMEL Ratings and Financial Statements Manipulation- Assets Liability Management (ALM) implementation.
- Unit: II: Alternative Models of Bank Performance- A Critique of Traditional GAAP- Base Performance Measure- Line of Business Profitability analysis, management of Market Risk, Non- Interest Income and Non Interest expenses: Peer Group Comparison, Total Operative Revenues- Stock Market Risk Performance- Customer Focused Performance.
- Unit: III: Capital Management and Profit Planning: Prudential Norms- Capital Adequacy- Basel II- Assets Classification & Provision Norms- Profit Planning- Effects of NPA on Profitability- Share holders Value Maximization and EVA- Profit Planning measure to improve performance. Risk Management System in Banks in India- System Introduced in India Basel II Recommendation and RBI guidelines.
- Unit: IV: Introduction to risk Management and Insurance- Risk and uncertainty- Risk perception and reaction- Risk analysis and Management- Risk Concepts- Type of Risks, in Insurance, Kinds of Classification of Risk- Individual Risk, Types of Individual Risks Operational Risks- Financial Risks, Strategic Risks- Risk Management- Subjective Risk Attitude to Risk, Acceptable Risk- Risk Management- Subjective Risk Attitude to Risk, Acceptable Risk vs Unacceptable Risk- The Cost of Risks – Role of Insurance brokers in Risk Management.
- Unit: V Risk Management and Corporate Objective- Risk Management Policy- Risk Management and Functional Management: The Scope and Objective of the Risk Management in Corporate bodies, Nationalized Industries. Local Governments and Public Utilities- Personal Risk Management- Risk Management – Steps- Risk Management Process Risk Management of Liability exposures- Risk Management of Public Liability exposures- Administration.

Reference Books:

1. Treischamann: Risk Management & Insurance, Thomson 2007
2. Alka Mittal and SL Gupta: Principles of Insurance and Risk Management: Sultan Chand & Sons.
3. Dr. P. K. Gupta: Insurance and Risk Management: Himalaya Publishing House.
4. Bank Management by Koch Mac Donald- Thomson.
5. Risk Management, Indian Institute of Banking and Finance MC Milloan.
6. Dr. K.M. Batta Charya, Risk Management in Indian Banks, Himalaya Publishing House.