



Certificate Examinations for Employees of I.T. and BPO Companies

1. Certification in Basics of Banking
2. Certification in Functions of Banks
3. Certification in Card Operations

Rules & Syllabus 2018

OBJECTIVES OF THE EXAMINATION :

- Recognizing the need of IT professional to acquire knowledge of functions of banks in order to enable them to provide technological solutions to banking industry. Towards this end, following examinations have been customized to meet needs of employees of IT and BPO Companies providing services to banking and finance industry.
- Outsourcing has become an important method of delivery of banking services. Changes and improvement in IT has also speeded up the process of outsourcing. Whereas banks employ banking professionals to carry out their activities, outsourcing agencies employ people with specialized skills such as IT, Marketing, Appraisal (cards) etc. to deliver bank products. It is desirable that these agencies / firms and their employees possess a certain level of knowledge on banking. Such knowledge is essential to avoid possible operational risks on account of outsourcing.

The Institute with a mandate for examination and certification feels that it should play an active role in filling up this gap and be of service to banks.

The broad objectives of examinations are as under :

1. To provide basic knowledge in banking and financial systems and to help students / employees of business outsourcing clients of banks to develop an overall understanding of certain aspects of banking viz.,
 - the Role of banks and regulatory requirements - India as well as UK/ USA
 - Functions of banks/ legal aspects of banks in brief
 - Basics of banking operations and procedures, compliance requirements etc.
2. To provide a level of comfort to banks, who outsource their activities, about the knowledge of banking with agencies / firms.

FOR WHOM

Employees of IT and BPO Companies / DSA / DMA providing banking and finance related services.

- (a) Fresh entrants
- (b) Persons posted in banking and finance domain / projects

MODE OF DELIVERY

Courses will be offered in a distant learning mode.

ELIGIBILITY

1. Members and Non-Members of the Institute
2. Candidates must have passed the 12th standard examination in any discipline or its equivalent.

PASSING CRITERIA:

Minimum marks for pass in the subject is 60 out of 100.

EXAMINATION FEES*: Rs.1500/-* (For Members and Non-Members)

* Plus Convenience charges and Taxes as applicable.

Please Note : Candidates are required to Register for every attempt separately.

As a measure to streamline the traffic for registration, Institute will charge regular examination fee to candidates who registers for the examination during the regular open period of registration. **For the extended days of registration, late fee of Rs.200 plus taxes, will be charged in addition to regular examination fee.** This extended days of registration, also gives candidates addition opportunity to register for the examination, having missed the regular open period of registration.

The fee once paid will **NOT** be refunded or adjusted on any account.

MEDIUM OF EXAMINATION :

Examination will be conducted in English only.

PATTERN OF EXAMINATION:

- (i) Question Paper will contain 120 objective type multiple choice questions for 100 marks.
- (ii) The examination will be held in Online Mode only.
- (iii) There will NOT be negative marking for wrong answers.

DURATION OF EXAMINATION:

The duration of the examination will be of 2 hours.

PERIODICITY AND EXAMINATION CENTRES:

- a) Online Examination will be conducted once a quarter. i.e. in the month of March / June / September / December at notified centres. However periodicity of the examination may be changed depending upon the requirement of banking industry.
- b) List of Examination centers will be available on the website. (Institute will conduct examination in those centers where there are 10 or more candidates.)

PROCEDURE FOR APPLYING FOR EXAMINATION

Application for examination should be registered online from the Institute's website www.iibf.org.in. The schedule of examination and dates for registration will be published on IIBF website.

PROOF OF IDENTITY

Non-members applying for Institute's examinations / courses are required to attach / submit a copy of any one of the following documents containing Name, Photo and Signature at the time of registration of Examination Application. Application without the same shall be liable to be rejected.

- 1) Photo I / Card issued by Employer or 2) PAN Card or 3) Driving Licencse or 4) Election Voter's I/ Card or 5) Passport 6) Aadhaar Card

STUDY MATERIAL / COURSEWARE

The Institute has developed a courseware to cover the syllabus. The courseware (book) for the subject/s will be available at outlets of publisher/s. Please visit IIBF website www.iibf.org.in under the menu "Exam Related" for details of book/s and address of publisher/s outlets. Candidates are advised to make full use of the courseware. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Therefore, the courseware should not be considered as the only source of information while preparing for the examinations. Candidates are advised to go through the updates put on the IIBF website from time to time and go through Master Circulars / Master Directions issued by RBI and publications of IIBF like IIBF Vision, Bank Quest, etc. All these sources are important from the examination point of view. Candidates are also to visit the websites of organizations like RBI, SEBI, BIS, IRDAI, FEDAI etc. besides going through other books & publications covering the subject / exam concerned etc. Questions based on current developments relating to the subject / exam may also be asked.

Cut-off Date of Guidelines / Important Developments for Examinations

The Institute has a practice of asking questions in each exam about the recent developments / guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations.

In order to address these issues effectively, it has been decided that:

- (i) In respect of the examinations to be conducted by the Institute for the period February to July of a calendar year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers".
- (ii) In respect of the examinations to be conducted by the Institute for the period August to January of a calendar year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

The table given below further clarifies the situation.

| Particulars | Cut-off Date of Guidelines / Important Developments for Examination/s |
|--|---|
| For the examinations to be conducted by the Institute for the period February 2018 to July 2018 | 31st December 2017 |
| For the examinations to be conducted by the Institute for the period August 2018 to January 2019 | 30th June 2018 |

SYLLABUS

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations,

all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus / rules / fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

Course - I : Certification in Basics of Banking

I) Overview

- Structure of the Financial system and the Constituents - RBI, Commercial banks, Financial Institutions, NBFCs, Indian capital market , Mutual funds, Merchant banks, Insurance companies, etc.
- Brief overview of their roles and functions.
- Meaning and Objectives of Banking / Banks & Intermediation- Savings - Credit
- Types of Banking Institutions
- Principles of Banking - intermediation, liquidity, profitability, solvency, trust, etc.
- Meanings & Definition of Banking - Under British Law, Indian Law, Under USALaw.
- Structure of Banking - Evolution, Ownership, size, structure and composition of the industry
- Regulatory requirements - Bank Rate / Banker's Bank
- Comparative structure of banking in developed Economies like USA, UK etc.
- similarities and contrasts.
- Basics of International Banking, retail banking and wholesale banking
- Organization structure of a typical global Bank - at high level - Wholesale, Retail, ALM & Treasury, etc. - within these the product development, marketing, sales, operations, credit, etc. Also cover enterprise wide divisions like Risk, Audit & Compliance, IT, Finance, HRD, Facilities, Corporate Communications, etc.
- Global Banking - Recent trends

II) Brief on Activities at a Bank :

- Deposits :
- Deposits - different types of deposits (transaction / non-transaction, interest bearing / non interest bearing) - usage & need of deposits at a bank - liquidity management.

- Types of Interest Rates - fixed, floating, etc.
- Basic Operational flow for setting up & managing deposits.
- **Lending :**
- Broad categories of lending - Working Capital, Long Term, Project Finance, etc.
- Types of Interest Rates - fixed, floating, etc.
- Concepts of secured / unsecured & collateral management
- Value chain in loan delivery - (wholesale) Credit Appraisal and sanction - processing / delivery - monitoring - recovery procedures, security and documentation procedures - stamping (make generic)
- Value chain in loan delivery (retail) - Need for credit reports & computation of credit scores - based on these template based appraisal and approval - processing / delivery - monitoring - recovery procedures, security and documentation procedures
- **Transaction & Other Services:**
- Account related services - Opening, Servicing (Statements / Reporting, Standing instructions, etc.), Closing.
- High level discussion on evolution of Servicing at Banks - from Brick & Mortar to ATMs, mobiles, Internet Banking, etc.
- Payment and Collection procedures- clearing house fundamentals (ACH) - electronic funds transfer - negotiable instruments, RTGS, etc.
- Remittance facilities - forex, etc. Brief note on SWIFT.
- Trade Finance Services - need for Trade Finance desks, risks in international trade & brief overview of Letters of Credit and Guarantees products. Business process for an LC transaction to be explained.
- Cash Management Services - need for CMS - collections, payments & pooling / sweeping / liquidity management offerings to Corporate customers.
- Treasury Services - Forex & Fixed Income overview, Asset Liability Management overview - money markets / risks involved, etc.
- Institutional Banking - need for correspondent banking - definition of Nostro, Vostro
- Corporate Finance - Broad overview of need & activities (Advisory, IPO, Capital Structuring, etc.)
- Bankcards - types of cards- charge cards, debit cards, credit cards, co-branded cards, smart cards etc. - basic business process for a credit card transaction could be explained.

III) Legal aspects & Risk Management

- Basic laws affecting Banking Operations - Compliance requirements
- Best Practices

- KYC principles - Nature of the business - Relations with Customers
- Types of Risk - Credit, Market (Interest / Liquidity), Operational, etc. Brief on processes in Banks to control & manage Risks e.g. Market Risk Desk, Credit Analysis, CreditAdmin, etc.
- Brief overview of BASEL NORMS stipulations for managing risk

IV) Accounting :

- Nature and purpose of accounting; principles - accounting standards and its definition and Scope - Basic Accountancy Procedures - account categories - debit and credit concepts
- Understanding the P&L, Balance Sheet (definition of assets / liabilities), contingents - source & deployment of funds - revenue streams in a bank
- Profit maximization - Net Interest Income, Non Interest Income, Cost to Income ratios, etc.
- Core banking Solutions-Accounting in a computerized environment

Course - II : Certification in Functions of Banks

Overview of Banking Operations - Various Products / Services

Deposits :

KYC principles -Nature of the business - Relations with Customers -

Deposits-types - a/c opening / closing procedures - premature closure - interest rate application-renewal of deposits - procedure for settlement of claims - Types of customers - joint accounts - E or S accounts / F or S accounts - procedure for attachment - Income tax orders / Garnishee orders - Lien - Loans against deposits

Payment and collection procedures- clearing- electronic funds transfer

Lending :

Working Capital - Investment Loans Lending - different categories of lending - appraisal and sanction - processing - monitoring - recovery procedures, security and documentation procedures -stamping

Other services :

Overview of Non-fund based services - remittance facilities - procedure on issue / payment of Demand Drafts / Bankers Cheques etc. / Safe deposit lockers / safe custody of articles / L.C. / LG. etc - Agency functions - allied activities - Bancassurance etc. Basic laws affecting Banking Operations - Compliance requirements - Best Practices - Case Laws

Course - III : Certification in Card Operations

Module - A:

A brief history of bank cards - types of cards- charge cards, debit cards, credit cards, co branded cards, smart cards etc

Credit card organisation - appraisal and sanction of limits - credit card billing cycle-profitability-marketing-credit process - administrative support functions ;

Credit process - general credit policies - credit application - credit decision process - determining credit worthiness - credit scoring method - automated processing of applications - credit review - monitoring warning signals

Production function - production characteristics - account set up - card production - card production scheduling - statement production - payment processing - receipt preparation - capture - balancing - posting

Customer Service - collections - credit card frauds - recovery process - legal and regulatory issues - merchant establishments - turnover commission

Module - B : Credit Card Operations

Bank cards - types of cards - debit cards, credit cards, co-branded cards, smart cards etc, credit card organisation - appraisal and sanction of limits - credit card billing cycle - profitability - marketing - credit process - administrative support functions; Customer Service - collections - credit card frauds - recovery process legal and regulatory issues - merchant establishments - turnover commission.

IMPORTANT RULES / INFORMATION FOR CANDIDATES

1. ADMIT LETTER OF EXAMINATIONS :

- a. Admit letter to all eligible candidates will be emailed to the candidates in their email id registered with the Institute, 10 days before the examination date.
- b. Admit letter of all eligible candidates will be hosted on Institute's website www.iibf.org.in under the menu 'Exam Related', 1 week before the examination date.
- c. For downloading and printing of admit letter from the above mentioned website, candidates will have to enter the following:
 - i. Membership or registration number as **login id**
 - ii. **Edit profile password.**
 - iii. If candidates do not remember their Edit profile password, they have to click on the 'Forgot password / Get Password' button after entering the Membership or Registration number. On clicking fresh edit profile password will be sent to their registered email id.
- d. Candidates are required to **produce printed copy of admit letter** along with Membership identity card or any other valid photo ID card (Aadhaar card / Employer's card / PAN Card / Driving License / Election voter's card / Passport etc.) at the examination venue.
- e. **In the absence of printed copy of Admit Letter and Photo Identity Card, candidates will be denied permission to write Examination.**

2. Mobile Phones

- a. Mobile phones and other electronic / smart gadgets (except calculator as permissible) are not allowed in the examination hall. It is clarified that mere possession of mobile phone and other electronic / smart

gadgets in the examination hall whether in switch off mode or silent mode shall also be deemed to be resorting to adoption of unfair means in the examination.

3. Use of calculator

- a. Candidates will be allowed to use battery operated portable calculator in the examination. The calculator can be of any type up to 6 functions, 12 digits.
- b. Attempt to use any other type of calculator not complying with the specifications indicated above or having more features than mentioned above shall tantamount to use of unfair means. Scientific calculator is not allowed.

4. Other Rules / Information

- a. Candidates should ensure that they sign the Attendance Sheet.
- b. Candidates are advised to reach the Examination Venue before the reporting time mentioned in the admit letter. **No candidate/s will be permitted to enter the Examination Venue after the gate closing time mentioned in the admit letter.**
- c. **No candidate will be permitted to leave the examination venue in the first 60 minutes from the scheduled start time of the examination.**
- d. **Candidates should occupy the seat mentioned against each subject in the Admit letter.**
- e. Candidates would be able to login to the system only with the password mentioned in this Admit Letter. This password should not be disclosed to others. Keep it safe to avoid the possible misuse.
- f. If the examination could not commence on scheduled time or there is delay due to Failure of power, Technical snag of whatsoever nature or for any such reason having bearing upon the conduct of examination; candidates have to: -
 - i Wait till resumption of power supply / solving of technical snag.
 - ii Take-up the examination at other venue arranged by the examination conducting authority.
 - iii Follow instructions given by the examination conducting authority.
- g. Candidates are required to strictly follow all the instructions given by the examination conducting authority during the examination and adhere to Rules of the examination.
- h. Violation of any of the Rules / Instructions, misuse of the Admit Letter will be considered to be an act of serious misconduct and the Institute will take action as per the Rules of the examination, which will also be reported to the employer of the candidate.

5. Rules, Penalties for Misconduct / Unfair Practices:

- a. Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.

- b. Copying answers from other candidates / other printed / Electronic material or permitting others to copy or consultation of any kind will attract the rules relating to unfair practices in the examination.
- c. No candidate shall impersonate others or allow others to impersonate himself / herself at the examination.
- d. No candidate shall misbehave / argue with the Examination Conducting Authorities at the centre.
- e. Candidates have to compulsory return any papers given including that given for rough work to invigilator.
- f. Candidates should not possess and / or use books, notes, periodicals, etc. in the examination hall at the time of examination / or use mathematical tables, slide rules, stencils etc. during the examination.

If any candidate violates any of the above rules, it will be considered to be an act of misconduct and he/she will be liable for punishment.

PLEASE REFER INSTITUTE'S WEBSITE UNDER THE MENU "EXAM RELATED" FOR DETAILS OF DEBARMENT PERIOD FOR UNFAIR PRACTICES ADOPTED BY CANDIDATES DURING CONDUCT OF INSTITUTE'S EXAMINATIONS.

6. Result Advice / Consolidated Marksheet / Final Certificate

- a. Result Advice of candidates will be hosted on Institute's website on declaration of result, which can be downloaded by the candidates.
- b. Consolidated mark sheet for candidates completing examination having more than one subject, will be available on the Institute's website after the declaration of results. Candidates can download the same after entering login credentials using their membership number and edit profile password.
- c. Final certificates will be sent by speed post within 2 months after the declaration of result.

CONTACT DETAILS :

Register your queries through website www.iibf.org.in > Members / Candidates Support

Services (Help)

or

Email all your queries to care@iibf.org.in

Member Support Service Office :

Indian Institute of Banking & Finance

191-F, Maker Towers, 19th Floor,

Cuffe Parade, Mumbai - 400 005

Tel. : 022-2218 3302 / 2218 5134

For training / contact classes related queries contact :

Leadership Centre

Indian Institute of Banking & Finance

Kohinoor City, Commercial-II, Tower-I, 3rd Floor,

Kirol Road, Off L.B.S.Marg, Kurla West, Mumbai 400 070.

Tel. : 022 25039746 / 9604 / 9907

E-mail : training@iibf.org.in

PROFESSIONAL DEVELOPMENT CENTRES :

| South Zone | North Zone | East Zone |
|---|---|---|
| Indian Institute of Banking & Finance No. 94, Jawaharlal Nehru Road, (100 Feet Road), Opp. Hotel Ambica Empire, Vadapalani, Chennai – 600 026. Tel. : 044-2472 2990 / 2472 8587 E-mail : iibfsz@iibf.org.in | Indian Institute of Banking & Finance 102-113, Vikrant Towers, 1st Floor, 4 Rajendra Place, New Delhi – 110 008. Tel. : 011-2575 2191 / 92 E-mail : iibfnz@iibf.org.in | Indian Institute of Banking & Finance Hindusthan Building (Annexe), 7th Floor, 4, C. R. Avenue, Kolkatta – 700 072. Tel. : 033-2212 4992 E-mail : iibfez@iibf.org.in |

Corporate Office : Indian Institute of Banking & Finance, Kohinoor City, Commercial-II, Tower-1, 2nd Floor, Kirol Road, Kurla (West), Mumbai - 400 070
Tel. : 022-2503 9746 / 9604 / 9907