

## **OPEN ELECTIVES (FINANCE)**

### **PAPER 1: RURAL BANKING AND FINANCIAL INCLUSION**

**No of Credits: 4**

**Maximum Marks: 100**

**Objectives:** To expose the students with the functioning of rural credit institutions in India and to enable students to understand the concept of financial inclusion, its importance, prospects and problems of financial inclusion including priority sector.

**Module 1:** Introduction to rural banking: Demographic features-Economic features-Rural poverty-main causes and methods of measuring rural poverty-Rural Infrastructure-Rural Development Policy-Govt. policies and programmes-Economic Reforms and its impact on rural economy

**Module 2 :** Financing Rural Development: Functions and policies of RBI and NABARD ;Rural Credit Institutions-Role and functions -Role of Information and Communication Technologies in rural banking- Regulation of Rural Financial Services;

**Module 3:** Financial inclusion: Concept and its role in inclusive growth- Micro credit, micro insurance scheme - Business Facilitators and Business Correspondents in rural financing-SHG/NGOs, linkages with banking, latest guidelines of GOI and RBI

**Module 4:** Priority Sector Financing and Govt. initiatives: Components of priority sector RBI Guidelines; Government initiatives: Poverty alleviation programmes/Employment programmes/Production oriented programmes-Rural housing and Urban housing schemes under priority sector-Educational loans

**Module 5:** Problems and prospects of Rural Banking: Problems of rural branches of commercial banks and regional rural banks-emerging trends in rural banking-financing poor as bankable opportunity.

#### **References:**

1. Vasantha Desai, Indian Banking-Nature and Problems, Himalaya Publishing House, Mumbai
2. Khan, M.Y., Indian Financial System, Tata McGraw Hill Publishing Company Ltd., New Delhi
3. Pai Panandikar & NC Mehra, Rural Banking, National Institute of Bank Management, Pune
4. Guruswamy, S., Banking in the New Millenium, New Century Publications, New Delhi

5. Uppal RK, & Rimpi Kaur, Banking Sector Reforms in India, New Century Publications, New Delhi



