



# MANAGEMENT OF COMMERCIAL BANKING

**PROF. JITENDRA MAHAKUD**

Department of Humanities and Social Sciences  
IIT Kharagpur

**TYPE OF COURSE** : New | Elective | UG/PG

**COURSE DURATION** : 12 weeks (27 Jan' 20 - 17 Apr' 20)

**EXAM DATE** : 26 Apr 2020

**PRE-REQUISITES** : Nil

**INTENDED AUDIENCE** : Economics, Commerce and MBA

**INDUSTRIES APPLICABLE TO** : Banks, Financial Consulting Companies

**COURSE OUTLINE :**

This course deals with the management of commercial banking activities from risk management perspective. The prime focus of this subject is to manage major risks such as interest rate risk, credit risk, liquidity risk and operational risk faced by the banks to maximize the dual objectives of commercial banks i.e. profitability and liquidity. Mostly it deals with the management of deposits, lending activities, investments, bank capital, bank liquidity and off-balance sheet activities. It also covers the use of derivatives and asset backed securities such as credit derivatives etc. to manage the market risk.

**ABOUT INSTRUCTOR :**

Prof. Jitendra Mahakud is Professor of Economics and Finance at the Department of Humanities and Social Sciences, Indian Institute of Technology Kharagpur. He is also a joint faculty at the Vinod Gupta School of Management, IIT Kharagpur, in the area of finance. He obtained his PhD from the Indian Institute of Technology, Mumbai. He has published more than 50 papers in leading national and international journals. He has co-authored a book titled Financial Institutions and Markets: Structure, Growth and Innovations published by McGraw Hill Education.

**COURSE PLAN :**

**Week 1** : Functions and Forms of Commercial Banking

**Week 2** : Profitability Measures

**Week 3** : Pricing of Bank Stocks

**Week 4** : Risk management process

**Week 5** : Static Gap Analysis

**Week 6** : Use of Futures, Options, Swaps and Other Hedging Tools in ALM

**Week 7** : Lending Functions

**Week 8** : Loan Pricing

**Week 9** : Investment Alternatives

**Week 10** : Estimation of Liquidity Needs

**Week 11** : Management of Deposits and other liabilities

**Week 12** : Financial Guarantee