

Approved by the BOS in B.Com (Banking & Insurance) on 16-11-2024 Item No. 03

# **Tolani College of Commerce (Autonomous)**



**Programme: B.Com. Banking & Insurance Semester – V**

**Title of the Course:  
Evolution of Banking In India from the Ancient Times (IKS)**

**Syllabus for 4 Credit Course  
From the Academic Year 2025 – 2026**

**Name of the Course: Evolution of Banking in India from the Ancient Times (IKS)**

Sr. No.	Heading	Particulars
1	<b>Description of the course:</b>	The evolution of banking in India is deeply intertwined with the country's rich cultural and economic history, beginning with indigenous systems of finance and lending, which are now recognized as part of the Indian Knowledge Systems (IKS). From early trade-based financial practices to the structured banking institutions of today, Indian banking has undergone significant transformation.
2	<b>Type:</b>	Theory
3	<b>Credit:</b>	4 Credits
4	<b>Hours Allotted:</b>	60 Hours
5	<b>Marks Allotted:</b>	100 Marks Continuous Evaluation 40 Marks Semester End Examination 60 Marks
6	<b>Course Objectives:</b> <ol style="list-style-type: none"> <li>1. To understand the concept of IKS and Ancient Banking practices.</li> <li>2. To understand the Medieval period of Banking.</li> <li>3. To understand the Post-Independence Banking transformation.</li> <li>4. To understand Bank Frauds from Kautilya's Arthashastra's perspective and modernization in Indian banking.</li> </ol>	
7	<b>Course Outcomes:</b> <ol style="list-style-type: none"> <li>1. Learners will be able to understand the relationship between IKS and Ancient Banking</li> <li>2. Learners will be able to understand the Islamic influence on Banking</li> <li>3. Learners will be able to comprehend the benefits of Financial Inclusion in Banking system and impact of Regional Rural Banks.</li> <li>4. Learners will be able to understand frauds detection and digital transformation in banks with the help of Kautilya's Arthashastra perspective.</li> </ol>	
8	<b>Module I: IKS and Ancient Banking Practices (15 Hours)</b>	
	<ul style="list-style-type: none"> <li>• <b>Indian Knowledge Systems (IKS):</b> Framework, significance, and methodologies to study banking from a traditional and cultural perspective.</li> <li>• <b>Early Banking and Money-Lending Practices:</b> Understanding the barter system and early trade methods, Role of temples, merchants, and local financiers (Mahajans) in economic transactions and lending. Money lending practices during Mahabharata and Ramayana period.</li> <li>• <b>Key Instruments in Ancient Finance:</b> Hundi System: Introduction, types, and role in facilitating trade, Evolution of credit and debt instruments in the Mauryan and Gupta periods.</li> <li>• <b>Guilds and Shrenis in Economic Systems:</b> Role of guilds (shrenis) in trade financing, lending, remittances and Indian banking knowledge in community-driven financial practices.</li> </ul>	
	<b>Module II: Medieval Period – The Rise of Indigenous Bankers, Financial Instruments and Colonial Period – Establishment of Modern Banking (15 Hours)</b>	

	<ul style="list-style-type: none"> <li>• <b>Banking and Finance under Islamic Influence:</b> Impact on trade routes, currency, and remittance systems, Role of merchants, Seths, Shroffs, and Sarafs as early bankers and money changers.</li> <li>• <b>Expansion of the Hundi System:</b> Types of hundis, their uses, and the system's role in long-distance trade.</li> <li>• <b>Indian Knowledge and Economic Contributions:</b> The practice of Zakat and its impact on charity-based lending and finance.</li> </ul>
	<b>Module III: Post-Independence Banking Transformation (15 Hours)</b>
	<ul style="list-style-type: none"> <li>• <b>Nationalization and Its Impact:</b> <ul style="list-style-type: none"> <li>• Nationalization of banks in 1969 and 1980: Objectives, impact, and outcomes.</li> <li>• Development of the Reserve Bank of India and regulatory framework.</li> </ul> </li> <li>• <b>Financial Inclusion Efforts and Indigenous Systems:</b> <ul style="list-style-type: none"> <li>• Integrating traditional systems with formal banking (e.g., Grameen Bank, <i>Self-Help Groups</i>, microfinance).</li> <li>• Financial inclusion policies and rural banking initiatives.</li> </ul> </li> <li>• <b>Growth of Cooperative and Regional Rural Banks (RRBs):</b> <ul style="list-style-type: none"> <li>• Role of cooperative banks and RRBs in rural and agricultural financing.</li> <li>• Merging of traditional finance practices with modern rural banking.</li> </ul> </li> </ul>
	<b>Module IV: Bank Frauds (Kautilya's Arthashastra's perspective) and Digital Era in Banking (15 Hours)</b>
	<ul style="list-style-type: none"> <li>• <b>Kautilya's Arthashastra and Bank Frauds:</b> <ul style="list-style-type: none"> <li>• Introduction to Arthashastra, bifurcation of principles for fraud detection, Loopholes, Solutions.</li> </ul> </li> <li>• <b>Modernization of Indian Banking:</b> <ul style="list-style-type: none"> <li>• Introduction of new banking products, ATMs, internet banking, and mobile banking.</li> <li>• Digital payments revolution (UPI, Bharat QR, etc.) and its roots in community-driven remittance systems.</li> <li>• Digital Transformation of Treasury and Digi Treasurers – Kautilya's Arthashastra perspective</li> </ul> </li> <li>• <b>Challenges and Future of Indian Banking:</b> <ul style="list-style-type: none"> <li>• Regulatory issues, technological integration, and the future of Indian banking knowledge in a globalized economy.</li> </ul> </li> </ul>
9	<p>References Books:</p> <ol style="list-style-type: none"> <li>1. M. H. Gopal "Money and Banking in India" – 1966</li> <li>2. K. C. Shekhar and Lekshmy Shekhar "History of Banking in India" – 1999</li> <li>3. Y. V. Reddy "India's Financial Sector: An Era of Reforms" – 2000</li> <li>4. Binay Bhushan Chakrabarti "Indian Economic Thought and Development" – 2000</li> <li>5. Rajendra Prasad Singh "Ancient Indian Economic Thought: Relevance for Today" - 2013</li> <li>6. P. K. Gupta "The Evolution of Indian Banking System" – 2019</li> <li>7. Nisshta Ghai "Teachings from Kautilya's Arthashastra: The Forty Sins of Bank Frauds" - 2019</li> <li>8. Ashish Tiwari "The Evolution of the Indian Banking System" - 2021</li> <li>9. Dr. Rajesh K. Pillania "Digital Transformation and Innovation in Indian Banking" – 2021</li> <li>10. Ashutosh Raravikar "Indian Banking in Retrospect – 75 Years of Independence" – 2022</li> <li>11. Dr. Paritosh Basu "Dictums from Kautilya's Arthashastra for digital transformation of Treasury and Digi Treasurers" - 2023</li> </ol>

**Evaluation Pattern**

Continuous Evaluation: 40%

Semester End Examination: 60%

The Continuous evaluation will consist of

	<b>Total Marks</b>
Assignment/Project Work/Presentation/Case Study	30
Online MCQ Objective Test	10

**Semester End Examination Question Paper Pattern**

Maximum Marks: 60

Duration: 2 Hours

All Questions are Compulsory Carrying 15 Marks each.

<b>Q. No.</b>	<b>Particular</b>	<b>Marks</b>
Q-1	<b>Attempt any Two of the following: (Module – 1)</b> A. Full Length Question B. Full Length Question C. Full Length Question	<b>15 Marks</b>
Q-2	<b>Attempt any Two of the following: (Module – 2)</b> A. Full Length Question B. Full Length Question C. Full Length Question	<b>15 Marks</b>
Q-3	<b>Attempt any Two of the following: (Module – 3)</b> A. Full Length Question B. Full Length Question C. Full Length Question	<b>15 Marks</b>
Q-4	<b>Attempt any Two of the following: (Module – 4)</b> A. Full Length Question B. Full Length Question C. Full Length Question	<b>15 Marks</b>

<b>Sr. No.</b>	<b>Name</b>	<b>Signature</b>
1	Dr. Ishtiyah Chiplunkar	
2	Ms. Neha Gupta	
3	Ms. Disha Wadhwa	