



**PARVATHANENI BRAHMAYYA
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**
Autonomous
Siddhartha Nagar, Vijayawada-520010
Re-accredited at 'A+' by the NAAC

Course Code				23BKMAL232			
Title of the Course				CORPORATE BANKING			
Offered to: (Programme/s)				B.Com HONS –BANKING			
L	4	T	0	P	0	C	4
Year of Introduction:		2024-25		Semester:			3
Course Category:		MAJOR		Course Relates to:		NATIONAL	
Year of Revision:		NA		Percentage:		--	
Type of the Course:				EMPLOYABILITY			
Crosscutting Issues of the Course :				NA			
Pre-requisites, if any				Nil			

Course Description:

Corporate Banking is a specialized area of banking that focuses on providing financial services to corporations, businesses, and institutions. This course offers a comprehensive understanding of the core principles, products, and services offered within the corporate banking realm.

Course Aims and Objectives:

S.N O	COURSE OBJECTIVES
1	Develop a strong foundation in corporate banking products and services.
2	Analyze the financial health and creditworthiness of corporate clients.
3	To equip students with a comprehensive understanding of the role of investment banks in corporate banking
4	Grasp the core concepts, types, and strategic rationale behind mergers and acquisitions.
5	To equip students with a deep understanding of how banks advise corporations on achieving their strategic and financial objectives.

Course Outcomes

At the end of the course, the student will be able to...

CO NO	COURSE OUTCOME	BTL	PO	PSO
CO1	Explain the principles and importance of corporate banking services, including cash management, factoring, and forfaiting, and illustrate their benefits to corporate clients and employees.	K1	2	1
CO2	Analyze the challenges and strategies in debtor management, and evaluate the effectiveness of various solutions like factoring and forfaiting in improving cash flow and profitability.	K2	2	1
CO3	Demonstrate an understanding of corporate finance mechanisms, including working capital finance, export credit, and credit ratings, and apply these concepts in real-world corporate scenarios.	K2	2	1
CO4	Assess the role and impact of investment banking in the securities market, and construct a SWOT analysis for an investment bank's operations.	K2	2	1
CO5	Compare and contrast different forms of corporate restructuring, including mergers, acquisitions, and divestitures, and formulate strategies for successful corporate restructuring.	K2	2	1

CO-PO MATRIX

CO NO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2
CO1		2							2
CO2		2							2
CO3		3							3
CO4		3							3
CO5		2							2

Course Structure:

Unit – 1: CORPORATE BANKING

15 Hrs

Content: Introduction to Corporate Banking – Importance – Cash Management Services – Electronic Collections– Transfers - Salary Payment (Benefits to Corporates, Benefits to Employees) – Debtors Management Services (Receivables Management, Benefits to Clients) – Meaning of Factoring – Forms of Factoring – Meaning of Forfaiting – Features of Forfaiting – Meaning and Features of Trusteeship Services - Forex Services – Corporate Deposits – Deposit Products Offered to Corporates.

Case Studies:

Debtors Management at XYZ Corporation

Company Profile: XYZ Corporation is a mid-sized manufacturing company operating in the automotive components sector. The company has a significant customer base across the country, with a substantial portion of its revenue generated on credit terms.

The Challenge: XYZ Corporation was facing increasing challenges in managing its debtors. Despite implementing credit policies and procedures, the company was experiencing a rise in overdue payments, leading to a deterioration in cash flow and a negative impact on overall profitability. The primary issues were:

- ✓ **Increasing overdue payments:** A growing number of customers were delaying payments beyond the agreed credit terms.
- ✓ **Inefficient credit assessment:** The credit evaluation process was time-consuming and lacked a standardized approach.
- ✓ **Limited collection efforts:** The collections department was understaffed and lacked effective tools to manage delinquent accounts.
- ✓ **Lack of data analysis:** The company had limited data on customer payment behavior and credit risk.

Specific Resources: (web)

- <https://www.icicibank.com/corporate/cms/chqcoll>

Unit – 2: CORPORATE FINANCE

17 Hrs

Content: Introduction to Corporate Finance – Basics of Working Capital Finance – Bills/Receivables Finance by the Banks – Letters of Credit – Term Loans – Deferred Payment Guarantee – Meaning of Import Finance - Features of Import Finance– Meaning of Export Finance – Rupee Export Credit (Pre-shipment Export Credit, Post-shipment Export Credit, Types of Post-shipments Credits)– Export Credit in Foreign Currency – Customer Service in Export Finance – Simplification of Procedures for delivery of Export Credit in Indian Rupee and in Foreign Currency – Credit Rating - Objectives of Credit Ratings – Methodology of Credit Ratings.

Case Studies:

Pre-shipment Export Credit for a Small-Medium Enterprise (SME)

Company Profile: Company: TexFab India Ltd. **Industry:** Textile Manufacturing and Export, **Location:** Tirupur, India, **Business Model:** Manufacturing and exporting cotton knitwear garments to the US market, **Challenge:** TexFab faces significant working capital constraints due to the long production and export cycles, coupled with delayed payments from overseas buyers.

The Pre-shipment Export Credit Scenario

TexFab has secured a substantial order for cotton knitwear garments from a renowned US retailer. To fulfill the order, the company needs to invest heavily in raw materials, labor, and overheads. The production cycle for these garments is approximately 3 months. Given the company's limited financial resources, meeting these expenses without external funding is challenging.

Unit – 3: INVESTMENT BANKING

15 Hrs

Content: Introduction to Investment Banking – Evolution of Investment Banking in India – Scope – PEST & SWOT Analysis - Industry Coverage – Organization Structure of Investment Bank -Underwriting by

Investment Banker – Types of Underwriting - Role of Investment Banks in Issue of Securities – Application Supported by Blocked Amount (ASBA) – Possible Conflicts on Investment Banks.

Exercises/Projects:

Name: GlobalInvest Corp.

Focus: A leading global investment bank operating in multiple countries, providing services in M&A, underwriting, trading, and asset management.

Specific Resources: (web)

<https://economictimes.indiatimes.com/definition/pest-analysis>

Unit – 4: MERGERS & ACQUISITIONS

15 Hrs

Introduction to Corporate Restructuring – Meaning of Mergers – Types of Mergers – Meaning of Reverse Merger – Merger Procedure - Meaning of Acquisitions – Differences between Mergers & Acquisitions – Meaning of Takeovers – Types of Takeovers – Introduction to Amalgamation – Introduction to Demergers and Divestitures – Types of Divestitures.

Case Study:

Merger of Union Bank of India, Andhra Bank, and Corporation Bank

Background: In 2019, the Indian government announced the merger of three public sector banks, Union Bank of India, Andhra Bank, and Corporation Bank.

This amalgamation aimed to create a stronger, more competitive bank capable of serving a larger customer base and contributing significantly to the Indian economy.

Write the Challenges and Opportunities.

Specific Resources: (web)

<https://www.mca.gov.in/content/mca/global/en/data-and-reports/reports/other-reports/report-company-law/mergers-and-acquisitions.html>

Unit – 5: CORPORATE ADVISORY SERVICES

13 Hrs

Introduction to Corporate Advisory Services – Role of Corporate Advisor – Capital Restructuring - Private Equity – Project Advisory Services – Venture Capital – Meaning of Venture Capital - Venture Capitalists Vs. Angel Investors – Meaning of Loan Syndication – Phases involved in Loan Syndication – Benefits of Loan Syndication for Borrowers – Disadvantages of Syndicated Loans – Comparison with Bilateral Loans, Syndicated Loans, Bonds.

Specific Resources: (web): <https://www.ifcilt.com/?q=en/content/corporate-advisory-services>

Text Books:

1. Indian Institute of Banking & Finance, 2018, Corporate Banking, 2nd Edition, Macmillan Education.

References:

1. Indian Institute of Banking & Finance, 2014, Corporate Banking Module A & Module B, Macmillan.
2. MacDonald S. Scott, Koch W. Timothy, 2015, Management of Banking, Himalaya Publishing House.
3. Gup, Kolari, 2015, Commercial Banking, Wiley.



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SEMESTER -END QUESTION PAPER STRUCTURE

Course Code & Title of the Course:	23BKMAL232 Corporate Banking
Offered to:	B.Com Hons Banking
Category:	SEMESTER: 3
Max. Marks	70
Max.Time	3 Hrs

Section A

Answer the following questions.

5 X 4M = 20M

- Q1 (a) What is corporate banking? Explain the features of corporate banking. **(K1)**
OR
(b) Write about the cash management services. **(K1)**
- Q2 (a) Explain about import finance. **(K2)**
OR
(b) Write about letters of Credit. **(K2)**
- Q3 (a) Write the scope of an investment bank. **(K2)**
OR
(b) Write about ASBA. **(K2)**
- Q4 (a) What is a reverse merger? **(K2)**
OR
(b) What is amalgamation? **(K2)**
- Q5 (a) Explain about corporate advisory services. **(K3)**
OR
(b) Write about the limitations of loan syndication. **(K3)**

Section B

Answer the following questions.

5 X 10M = 50M

Q6 (a) Explain different types of forex services. **(K2)**

OR

(b) Briefly explain the benefits of salary payment. **(K2)**

Q7 (a) Explain different types of letters of credit. **(K2)**

OR

(b) Explain the procedure for delivery of export credit in Indian rupee. **(K2)**

Q8 (a) Explain the organizational structure of an investment bank in India. **(K3)**

OR

(b) What are the primary conflicts of interest that arise in investment banking? **(K3)**

Q9 (a) What are the primary steps involved in a merger process? **(K3)**

OR

(b) Explain different types of mergers. **(K3)**

Q10 (a) What is loan syndication? Explain the phases involved in loan syndication. **(K3)**

OR

(b) Explain the role of a corporate advisor. **(K3)**
