
Book Review

Book : Banking Theory, Law and Practice
Author : Prof. E. Gordon & Dr. K. Natarajan
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The book contains 40 chapters discussing the present banking scenario. Chapter –1 heading bankers & customers gives a general view of the relationship of banker and customer. In this chapter the banker's rights on general lien and special features of banker's right of general lien should have been discussed. However, the same has been discussed in the chapter- 13 as rights of a banker. Thus chapter-1 and 13 should have been properly correlated.

Chapter – 2,3,4 on deposits, passbooks & bank's customers has been mentioned throwing lights on the operational aspect. Chapter 5 to 12 gives view on law relating to negotiable instrument.

Chapter- 14 to 21 gives general idea on loans and advances. Also the advances against miscellaneous securities is also detailed in chapter 21.

Chapter- 22 details about the subsidiary services provided by the banking industry. Chapter – 23 gives details on classification of banks. It would have been more suggestive if the entire banking system in India would have been highlighted in that chapter instead of chapter 28 which has been separately highlighted. Chapter- 24 lays down the investment policy & study of balance sheet of the bank. Chapter- 25 & 26 highlights on credit creation and techniques of credit creation with the role of DICGC.

Chapter- 27 discussed about money market, capital market components and developments. Chapter 32,33 discusses the role of RBI and different credit policies & guidelines issued by RBI on operation, refinancing policy, SLR, CRR requirement and other guidelines on banking lending norms, maximum permissible bank finance etc.

Chapter- 29,30,31 contains the commercial bank activity. The functions of SBI its agriculture financing activity, the BR Act 1949 has been rightly mentioned. Chapter-34 discusses the non-banking financial institutions & their role. Chapter- 35,36 gives general idea on foreign exchange and international monetary fund. Chapter-37 describes the role of grievance and settlement procedure as per banking ombudsmen scheme.

Chapter- 38 is worthwhile on electronic banking. Chapter 39 is describing on management of non-performing assets. The chapter No. 40 discusses the credit appraisal & its importance in a systematic manner.

The book is expected to be useful among the students and faculty of banking on inclusion of the changes highlighted above for the greater interest and appreciation on the subject.

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