

Banking Operations

A. Aim of Subject:

To provide an introduction to the main operations of a Bank including bank services and products, types of customers, operating accounts, lending and securities

B. Subject Specific Learning Outcomes

Outcome 1

Describe the banker/customer relationship

Knowledge, Understanding and Skills

- What is a bank?
- What is a customer?
- The relationship between banker and customer
- The Banking Code

Outcome 2

Outline the main services offered by a bank

Knowledge, Understanding and Skills

- Savings and investment accounts
- Current accounts
- Savings accounts
- Lending facilities
- Money transmission and payment services
- Share dealing services and advice
- Investment advice
- Investment and portfolio management
- Executor and trustee services
- Insurance and assurance
- Safe custody services
- Travel facilities

Outcome 3

Demonstrate an understanding of the various bank customers and how their accounts are operated.

Knowledge, Understanding and Skills

- Personal customers
- Business customers
- Sole traders and Partnerships
- Limited companies
- Clubs, associations and societies
- Trustees
- Opening accounts
- Operating and Controlling customers' accounts
- Closing accounts
- Death of a customer
- Collections and recoveries departments

Outcome 4

Understand cheques, plastic and electronic banking

Knowledge, Understanding and Skills

- What is a cheque?
- Attachment of funds
- Crossed cheques
- Truncation
- The role of the paying banker and the collecting banker
- System for clearing cheques
- Telephone and online banking
- Electronic Funds Transfer at Point Of Sale (EFTPOS)
- Electronic funds transfer – CHAPS
- Credit cards
- Charge cards

Outcome 5

Demonstrate an understanding of Lending and Securities

Knowledge, Understanding and Skills

- The canons of lending
- Credit scoring
- Lending products offered by banks
- The Consumer Credit Act
- Taking security
- Direct security and third party security
- Attributes of a good security
- Types of security
- Guarantee
- Standard security
- Assignment of a life policy
- Pledge of marketable securities
- Bond and floating charge
- Pledge of a cash deposit