

**CO814 AN INTRODUCTION TO FINANCIAL INCLUSION 4-0-0-4**

**Year of Introduction: 2022**

**Course Description:** The program aims at developing an overall understanding of the concept of financial inclusion, history and evaluation of financial inclusion, rural banks and their roles in financial inclusion, financial inclusion through microfinance, rural credit, and financial inclusion schemes.

**Learning Objectives:**

- To study the concepts and importance of financial inclusion.
- To provide students with comprehensive understanding of how financial inclusion impacts in rural people.
- To understand the key issues linked to the whole discourse on financial inclusion
- To provide students with insights into current financial inclusion schemes in India.
- To provide students the knowledge on the role of government and other institutions in developing financial inclusion in rural areas.
- To know the challenges inherent therein and initiatives taken in the country to promote financial inclusion.

**Pedagogy:**

Theory classes will be conducted on various financial inclusion concepts and schemes. Lectures and case studies can be used.

**Syllabus:**

**Unit-1**

**Financial Inclusion: Issues, Challenges and Experiences:**

Concept of financial Inclusion, exclusion and extent of financial exclusion - challenges of financial inclusion - moral hazard, adverse selection, high transaction cost and information asymmetry - history and evolution of financial inclusion - committee's on financial inclusion - national strategy for financial inclusion - financial literacy and consumer protection - cross country experiences of financial inclusion

**Unit-2**

**Priority Sector Financing and Govt. initiatives:**

Components of priority sector - RBI guidelines, government initiatives: poverty alleviation programmes/employment programmes/production oriented programmes - rural housing and urban housing schemes under priority sector - Educational loans

### **Unit-3**

#### **Financial Inclusion through Micro Finance:**

National & international perspectives - microfinance: concept, products and models - implications of formal, semi-formal & informal MFIs - microfinance delivery methodologies - recent developments of microfinance in India.

### **Unit-4**

#### **Financial Inclusion and Rural Credit**

Rural Credit: concept, need, characteristics and sources of rural credit - institutional and non-institutional rural credit - moneylenders, cooperatives, commercial banks, regional rural banks, nationalized banks - NABARD - outline of Govt. programmes for rural credit

### **Unit-5**

#### **Financial Inclusion Schemes in India:**

Financial inclusion schemes in India - Pradhan Mantri Jan Dhan Yojana (PMJDY) - Atal Pension Yojana (APY) - Pradhan Mantri Mudra Yojana (PMMY) - Sukanya Samriddhi Yojana - Pradhan Mantri Suraksha Bima Yojana - Jeevan Suraksha Bandhan Yojana - Financial inclusion programmes organised by RBI. Modern financial inclusion instruments.

### **Text books/References**

1. Microfinance - Perspectives and Operations, Bhaskaran, R., Macmillan Education
2. Khan, M.Y., Indian Financial System, Tata McGraw Hill Publishing Company Ltd., New Delhi
3. Vasantha Desai, Indian Banking-Nature and Problems, Himalaya Publishing House, Mumbai
4. Pai Panandikar & NC Mehra, Rural Banking, National Institute of Bank Management, Pune

5. Chakrabarty K.C (2011), "Financial Inclusion and Banks: Issues and Perspectives", RBI Bulletin, November.
6. Chakrabarty K.C (2011), "Financial Inclusion: A Road India Needs to Travel", RBI Bulletin, November
7. Das, Manda & Rath (2008), "Micro Finance & Rural Development in India," (Ed) New Century Publication, N Delhi
8. Dev S.M., (2006), "Financial Inclusion: Issues and Challenges", Economic and Political Weekly, October 14: pp. 4310-13
9. Mohan R., (2006), "Economic Growth, Financial Deepening and Financial Inclusion" Reserve Bank of India Bulletin, November, pp. 1305-19.
10. GOI (2008), Report of the Committee on Financial Inclusion, Government of India, New Delhi.
11. Leeladhar V., (2006), "Taking Banking Services to the Common Man- Financial Inclusion", Reserve Bank of India Bulletin, January, pp. 73-9
12. Mundra S. S. (2016), Financial Inclusion in India – The Journey so far and the Way Ahead, (September 19, - at the BRICS Workshop on Financial Inclusion in Mumbai), [https://rbi.org.in/Scripts/BS\\_SpeechesView.aspx?Id=1024](https://rbi.org.in/Scripts/BS_SpeechesView.aspx?Id=1024)
13. Rangarajan C (2008), "Report of the Committee on Financial Inclusion"
14. Srinivasan N., (2007), "Policy Issues and Role of Banking System in Financial Inclusion", Economic and Political Weekly, July 28: pp. 3091-5.
15. Thorat U., (2007), "Financial Inclusion: The Indian Experience", Reserve Bank of India Bulletin, July, pp. 1165-72

#### **Other References:**

<https://www.worldbank.org/en/topic/financialinclusion>

<https://financialservices.gov.in/financial-inclusion>

<https://financialservices.gov.in/financial-inclusion-schemes>

<https://www.federalbank.co.in/financial-inclusion>

<https://www.nabard.org/content1.aspx?id=517&catid=8&mid=8>

#### **Course Outcomes:**

Student should be able to:

CO1 - Explain concept of financial inclusion

CO2 - Explain the financial inclusion through microfinance

CO3 - Learn about the different schemes available in financial inclusion in India

CO4 - Discuss the role of rural credit in financial inclusion

**Evaluation Pattern:**

Theoretical examination will be conducted to evaluate the knowledge on financial inclusion.

**Employability:**

- Rural Banks
- Financial analyst
- Micro finance
- Credit sector
- Fintech
- Economist
- Faculty in colleges