

Semester	IV	Specialization	Finance
Course Code	413 FIN	Type	Elective
Course Title	Financing Rural Development		

Course Objectives:	
1	To understand the need and importance of financing rural development.
2	To know the schemes floated by the Government of India and its scope.
3	To analyze the needs of rural businesses and its viability.

Syllabus:

Unit Number	Content	Sessions
1	Rural Financial Services: Introduction, rural indebtedness – causes – Magnitude and legislation – rural financial markets formal/informal Need and Nature of financial services, Rural credit needs, estimate of credit requirements. Financial services paradigm shift-supply vs. demand led financial services – selling vs. marketing – design and delivery of financial services understanding rural clientele, Area approach and Credit Planning: Lead Bank scheme – priority sector lending –Innovation in rural lending.	5+1
2	Assessment of Credit Needs: Production credit – crop loan requirements– rescheduling in case of crop failure and recovery through sale of crops by tie up arrangements with marketing societies. Financing of Trade and Business: Appraisal of rural non- farm sector schemes – concepts of rural non- farm sector – importance in employment generation – Khadi and village industries, village and cottage industries, tiny industries, Draft rural industrialization policy of Govt. of India Entrepreneurship development programs, composite loan scheme.	5+1
3	Investment credit: Project approach and appraisal of investment – technical, financial, commercial, social and economic feasibility – cost benefit analysis and return on investment – determining bank loan, repayment schedule with built in monitoring and evaluation mechanism.	5+1
4	Government Initiatives involving Bank Credit: Poverty alleviation Programs/employment programs/ production oriented programs – rationale and philosophy, progress and impact, problems and deficiencies. IRDP, DWACRA, TRYSEM.SCAP/STAP, MNPA, JRY – Mehta Committee Report on IRDP.	5+1
5	Problems and Prospects in Rural Financing: Problems and prospects in rural	5+1

	financing – sustainability and outreach – overdue – Examples of Rural Banking.	
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Learning Sources:		
1	Text Books	Rural Development: Concept, Approach and Strategy - B. K. Prasad
2	Reference Books	Rural Development in India - Kulwant Rai Gupta Books Institutional Finance for Rural Development - eerashekarappa
3	Supplementary Reading Material	Institutional finance and rural development - Benson Kunjukunju, Mohanam
4	Websites	rural.nic.in www.nabard.org
5	Journals	Journal of Rural Development