

SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE (AUTONOMOUS)



BOARD OF STUDIES: COMMERCE & MANAGEMENT

PROGRAMME: M.COM (Banking & Finance)

SEMESTER: III

**NOMENCLATURE OF THE COURSE: Fraud Management in
Banking**

NEP Vertical: Major Mandatory

Credit: 4

(As Per Choice Based Credit System (under NEP 2020) with effect from the Academic Year 2025-26)



Program: Masters of Commerce (Banking & Finance)				Semester : III	
Course : Fraud Management in Banking				Code:	
Academic Year: 2025-2026		Batch: 2024-2026			
Teaching Scheme			Evaluation Scheme		
Lectures	Practical	Tutorials	Credits	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
60	Nil	Nil	04	40 marks/40% of the total marks	60 marks/60% of the total marks

Learning Objectives :	<ul style="list-style-type: none"> • To understand the types and causes of fraud in banking operations. • To learn the methods for detecting and preventing fraud. • To analyze regulatory requirements and best practices in fraud management.
Learning Outcomes :	<ul style="list-style-type: none"> • Identify various types of frauds in banking operations. • Apply techniques to detect and prevent banking frauds. • Understand the regulatory and technological frameworks for effective fraud management.

Detailed Syllabus: (per session plan) } to be submitted along with Teaching Plan

Session Outline For (name of the course) }

Each lecture session would be of one hour duration (60 sessions).

Module	Module Content	Module Wise Pedagogy Used (only pointers)	Module Wise Duration/ Lectures
11.	Overview of Banking Frauds 1. Definition and Classification of Frauds o Define banking frauds and their implications for financial institutions and customers. o Classify frauds based on categories such as operational, cyber, and financial frauds. 2. Common Types of Frauds o Cheque Fraud: Forgery, altered cheques, and stolen cheques. o Cyber Fraud: Phishing, vishing, ransomware attacks, and SIM swaps.	Lectures, group discussions, case studies, and interactive lectures	15 hours

	<ul style="list-style-type: none"> o Identity Theft: Fake IDs for loans, credit card misuse, and account takeover. o ATM Fraud: Skimming, cloning, and card trapping. o Loan Fraud: Submission of forged documents, wilful defaults, and misappropriation of funds. <p>3. Causes and Motivations Behind Banking Frauds</p> <ul style="list-style-type: none"> o Discuss internal and external factors contributing to fraud (e.g., lack of internal controls, greed, weak regulations). o Analyze psychological and economic motivations behind fraudulent activities. o Case studies on real-world fraud incidents to highlight causes and consequences. <p>4. Steps to Manage Fraud Incidents</p> <ul style="list-style-type: none"> o Immediate actions: blocking accounts, freezing transactions, and securing evidence. o Communication protocols: informing stakeholders, customers, and regulators. 		
12.	<p>Regulatory Framework</p> <p>1. Role of RBI and Other Regulatory Bodies in Fraud Management</p> <ul style="list-style-type: none"> o Explore RBI guidelines for fraud detection, reporting, and management. o Discuss the role of SEBI (for financial frauds) and cybercrime authorities. <p>2. Guidelines and Compliance Requirements for Fraud Prevention</p> <ul style="list-style-type: none"> o Discuss key regulatory frameworks like the Prevention of Money Laundering Act (PMLA) and Information Technology Act. o Explain fraud reporting timelines and responsibilities of banks under RBI's Master Directions. <p>3. Case Studies on Regulatory Actions Against Banking Frauds</p> <ul style="list-style-type: none"> o Analyze regulatory responses to significant banking frauds in India and globally (e.g., Nirav Modi case, PNB fraud). o Discuss the effectiveness of penalties and preventive measures. <p>4. Insurance Coverage for Fraud Losses</p> <ul style="list-style-type: none"> o Explain the role of insurance in mitigating fraud losses. o Discuss common fraud insurance products and their coverage limitations. 	Lectures, group discussions, case studies, and interactive lectures	15 hours
13.	<p>Prevention Mechanisms</p> <p>1. Internal Controls and Checks</p> <ul style="list-style-type: none"> o Discuss the role of internal audits, dual control, and segregation of duties in fraud prevention. o Explain how regular audits reduce opportunities for fraud. <p>2. Employee Training and Awareness Programs</p> <ul style="list-style-type: none"> o Emphasize the importance of staff training in recognizing suspicious activities. 	Lectures, group discussions, case studies, and interactive lectures	15 hours

	<ul style="list-style-type: none"> o Discuss the role of whistleblower policies in fraud prevention. 3. Customer Education on Secure Banking Practices <ul style="list-style-type: none"> o Teach strategies for educating customers on phishing, safe online practices, and card safety. o Case examples of banks running fraud-awareness campaigns. 4. Role of Audit and Compliance in Fraud Prevention <ul style="list-style-type: none"> o Discuss the compliance team's role in monitoring adherence to anti-fraud policies. o Explain how regular compliance checks mitigate risks. 		
14.	<p>Detection Techniques</p> <ol style="list-style-type: none"> 1. Data Analytics and Fraud Detection Tools <ul style="list-style-type: none"> o Explore how data mining and pattern recognition tools help detect anomalies. o Discuss fraud detection software used by banks. 2. Red Flags and Warning Signs in Banking Transactions <ul style="list-style-type: none"> o Teach students how to identify red flags such as unusual transaction patterns, sudden changes in account behavior, or discrepancies in documents. 3. Investigative Techniques and Forensic Audits <ul style="list-style-type: none"> o Discuss the role of forensic accounting in tracing fraud. o Explain techniques like document analysis, tracing funds, and fraud profiling. 4. Role of Technology in Fraud Detection <ul style="list-style-type: none"> o Explore the use of AI and machine learning in predictive fraud detection. o Discuss the potential of blockchain in creating tamper-proof transaction records. 	Lectures, group discussions, case studies, and interactive lectures	15 hours

REFERENCE BOOKS

- Indian Institute of Banking & Finance, "Fraud Prevention and Control."
- Reserve Bank of India guidelines on fraud management.
- Deloitte, "Banking Fraud: Risks and Controls."
- Research papers and case studies on banking frauds.
- Publications on technology-driven fraud detection systems

QUESTION PAPER PATTERN

RUBRICS FOR CONTINUOUS EVALUATION

Internal Assessment (40% of 100 marks) - 40 Marks

Sr No.	Examination Method	Marks
1	MCQs Test for Internal Assessment	20
2	Assignment	10
3	Presentation / Viva-Voce	10
	TOTAL	40

QUESTION PAPER PATTERN FOR SEMESTER END EXAMINATION

Maximum Marks: 60

Duration: 2 Hours

All Questions are compulsory

Question No.	Description	Total Marks
1	E. Full Length Theory Question OR	15
	F. Full Length Theory Question	
2	E. Full Length Theory Question OR	15
	F. Full Length Theory Question	
3	E. Full Length Theory Question OR	15
	F. Full Length Theory Question	
4	E. Full Length Theory Question OR	15
	F. Short Notes: Answer any 3 out of 5 given (5 marks each)	

Note: The Full length theory question of 15 marks each may be split up into two smaller questions carrying 8 marks and 7 marks respectively.