

JAIBB · Paper 2

Principles & Practices of Banking

SYLLABUS & PRIORITY GUIDE

Based on the latest IIBF syllabus · May 2026

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Exam Snapshot

Papers	4 compulsory (IE&IFS, PPB, AFM, RBWM)
Questions	100 MCQs per paper
Marks	100 per paper
Duration	2 hours per paper
Pass mark	50% aggregate / 45% per paper (min)
Negative marking	None
Medium	English & Hindi
Mode	Online (twice a year — May & November)

How to Use This Guide

This guide maps the complete official IIBF syllabus for **Principles & Practices of Banking**, module by module and chapter by chapter. Each module carries a **priority badge** — **HIGH** (score-driving, study first), **MEDIUM** (steady weight) or **LOW** (read once) — plus a **NUMERICAL / THEORY** tag so you know where calculation practice is needed. Use the Priority Matrix and the Top 10 list for fast revision.

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Module-wise Syllabus

Module A General Banking Operations

HIGH

THEORY

Key focus: Accounts, KYC/AML, NI Act, banker-customer relationship

1. Banker-Customer Relationship
2. AML, KYC & CFT Norms
3. Operational Aspects of KYC
4. Opening of Accounts for Various Types of Customers
5. Deposit Products & Services
6. Negotiable Instruments Act, 1881 — Cheques, Bills & Promissory Notes
7. Payment & Collection of Cheques (Paying & Collecting Banker)
8. Banker's Special Relationship (Lien, Set-off, Garnishee Order)
9. Foreign Exchange Remittance Facilities for Individuals
10. Operational Aspects of NRI Business
11. Cash Operations & Currency Management

Module B Functions of Banks

HIGH

NUMERICAL

Key focus: Lending, securities, NPA, priority sector, financial inclusion

1. Principles of Lending & Loan Appraisal
2. Types of Borrowers & Types of Credit Facilities

3. Working Capital & Term Loans
4. Documentation & Charges over Securities
5. Types of Collateral & their Characteristics
6. Non-Performing Assets & SARFAESI Act
7. Priority Sector Lending
8. Financial Inclusion & PMJDY
9. Government-Sponsored Schemes
10. Self-Help Groups & Micro Finance

Module C Banking Technology

MEDIUM

THEORY

Key focus: Payment systems, digital banking, cyber security

1. Essentials of Bank Computerisation & Core Banking
2. Payment Systems (NEFT/RTGS/IMPS/UPI)
3. Electronic Banking & Delivery Channels
4. Data Communication Networks & EFT Systems
5. Digital Banking, Wallets & PPIs
6. Cheque Truncation System (CTS)
7. Cyber Security & Information System Security
8. Business Continuity & Disaster Recovery

Module D Ethics in Banks & Financial Institutions

LOW

THEORY

Key focus: Ethics, corporate governance, work ethics

1. Ethics, Business Ethics & Banking — An Overview
2. Ethics at the Individual Level
3. Ethical Dimensions in the Workplace
4. Banking Ethics & Corporate Governance
5. Whistle-blowing & Ethical Dilemmas

Priority Matrix

Module	Priority	Numerical?	Key focus
Module A — General Banking Operations	HIGH	No	Accounts, KYC/AML, NI Act, banker-customer relationship
Module B — Functions of Banks	HIGH	Yes	Lending, securities, NPA, priority sector, financial inclusion
Module C — Banking Technology	MEDIUM	No	Payment systems, digital banking, cyber security
Module D — Ethics in Banks & Financial Institutions	LOW	No	Ethics, corporate governance, work ethics

Numerical Topics Hotlist

Modules below carry calculation-based questions — practise these with a timer.

Module B — Functions of Banks

Lending, securities, NPA, priority sector, financial inclusion

10 Top 10 Most Important Topics

1 KYC / AML / CFT Norms

MODULE A · General Banking Operations

Most heavily tested area in PPB — multiple questions every cycle.

2 Negotiable Instruments Act & Cheques

MODULE A · General Banking Operations

Crossings, endorsements, dishonour — perennial high-yield.

3 Banker-Customer Relationship

MODULE A · General Banking Operations

Special relationships (lien, set-off, garnishee) repeat often.

4 Non-Performing Assets & SARFAESI

MODULE B · Functions of Banks

Classification norms and recovery law frequently asked.

5 Priority Sector Lending

MODULE B · Functions of Banks

Targets and sub-targets are reliable scoring questions.

6 Payment Systems (NEFT/RTGS/UPI)

MODULE C · Banking Technology

Feature/limit comparisons are common MCQs.

7 Principles of Lending

MODULE B · Functions of Banks

Foundational lending concepts asked directly.

8 Paying & Collecting Banker

MODULE A · General Banking Operations

Statutory protection and negligence are favourites.

9 Financial Inclusion & PMJDY

MODULE B · Functions of Banks

Scheme features tested regularly.

10 Opening of Accounts / Customer Types

MODULE A · General Banking Operations

Minor, HUF, partnership account rules recur.

Insights & Strategy

- **Start here:** Module A (General Banking Operations), Module B (Functions of Banks) carry the highest weight — secure these first.
- **Numerical edge:** Module B reward timed practice; a few guaranteed marks come from formulas.
- **Revision loop:** use the Top 10 list as your final-week checklist — those topics alone cover a large share of marks.

- **Don't over-invest:** Module D (Ethics in Banks & Financial Institutions) is conceptual and low-yield — read once, don't memorise endlessly.
- **PYQ habit:** attempt past-year MCQs after every module; pattern recognition beats rote learning in JAIB.

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