

Elective Course Banking, Financial Markets and Systems (BFMS)

Name of Faculty: P.C. Narayan

Jun-Aug, 2017

Number of Credits: 3

- **Cap on class size: 75**
- **Pre-requisite: Average GPA of 2.60 or more in Financial Accounting and Corporate Finance taken together**

Course Objective

**This course attempts to fill the space between
Macro Economics and Corporate Finance**

Class room sessions will cover...

- **The financial intermediation process**
- **Functions of financial markets and their inter-relationships**
- **Emerging trends and the future of financial markets and financial Intermediation**
- **Risk Management: techniques and instruments (e.g. derivatives) to measure and manage risk**
- **Financial systems and markets in India vis-à-vis select developed economies**
- **Liquidity and solvency of banks and financial market participants**
- **Discussion on contemporary topics such as Basel II, Basel III, Asset Securitization, CDOs, Credit Derivatives, etc.**
- **Role of the monetary authority and the regulatory framework in ensuring the stability of the financial system**
- **Role of capital in the safety of the financial system**
- **Lessons from the global financial crisis of 2008**

Books and Reference

- Prescribed text books, to be provided by the PGP office.
 - Financial Markets and Institutions – A Modern Perspective by Frederic Mishkin and Stanley Eakins, Pearson Publishing
 - Financial Markets and Institutions – A Modern Perspective by Saunders and Cornett (Tata McGraw Hill)
- Course handouts will be given for select topics
- Course Videos for most topics... students registered for the course will be given access over the internet to the videos, through user-id and password
- All PPT slides used in Class will be available in PDF format
- Reference Text Books...
 - Financial Institutions, Markets and Money
 - Kidwell, Peterson and Blackwell (Harcourt College Publishers)
 - Financial Markets and Institutions
 - Jeff Madura (Thomson Publishing)

Course Evaluation

- **Mid- Term Exam (35 marks)**
 - Duration 2 hours, after session 10
- **End- term Exam (50 marks)**
 - Duration 3 hours, after session 20
- **Term Paper (15 marks)**
 - three to four students per group
 - groups at random, to be determined by Course Instructor
 - topics to be chosen by the groups, to be cleared by the course instructor in the third week of the course
 - incentive for early submission
- **Attendance penalty, as per Institute Policy**

**For any clarifications,
please email
pcn@iimb.ernet.in**