

I. Course Description

This course is focused at Non–Finance majors who are seeking to acquire an overview of Finance, and more specifically a foundation in capital markets, products, and institutions.

Marketing students passing out of B-Schools take up jobs with financial institutions such as banks, mutual funds, insurance companies, and brokerage houses. Marketing and other non-Finance students join the BFSI verticals of IT and ITES companies. Such students need a concise overview of the concepts imparted to Finance majors in the 2nd year elective courses. This course is designed to address that need.

The course covers the entire gamut of financial products, namely, equities, debt, money markets, mortgage-backed securities, foreign exchange, futures, options, and swaps. It also covers the important topics of mutual funds, and brokerage operations. The issues of market structures and the intricacies of order-driven markets are also covered in this course. The course does not pre – suppose any knowledge of the subject and all that is expected is that the student be comfortable with the fundamental principles of Finance which are covered in the first year Finance courses.

The course, as the name suggests, gives students an overview of the securities markets and the various products that are available in the markets. It is a course that will cover almost all aspects related to the financial markets but will not go too much in to the details of each of the functions. This will therefore work out to be an informative course for those who want to have an idea about financial markets and products but may not want to pursue a career in core Finance. In particular, the broad objectives of this course are:

1. To describe the intricacies of financial products such as stocks, bonds, foreign exchange, and derivatives.
2. To understand the operations of mutual funds, exchange traded funds, and pension funds.
3. To understand the structure and operations of a brokerage house.

4. To apply the knowledge of financial products and markets to study real-life issues faced by traders and financial institutions.

II. Learning Outcomes

At the end of this course students should be able to:

1. Understand the similarities and differences between various securities products such as stocks, bonds, and derivatives.
2. Understand the mechanics and working of financial markets for various products.
3. Understand the operational aspects of mutual funds, pension funds, and brokerage houses.
4. Appreciate the mechanics of order placement and execution.
5. Appreciate the uses, risks, and limitations of such products in an actual business context.

III. Pedagogy

The classes will involve presentations by the faculty using detailed PPTs, followed by in-class discussions. Two sessions have been specifically earmarked for problem solving using EXCEL. Relevant short video clips will be shown in class as and when appropriate.

IV. Study Material

1. Textbook
 - “Fundamentals of Financial Instruments”; Sunil Parameswaran, Wiley India

V. Evaluation

Mid-term exam	40%
Homework	20%
Term-end exam	40%

VI. Course Outline (Session wise Schedule)

Session	Topic	Study Material
1-2	Financial Institutions, Instruments and Markets:	Chapter-1 of Text
3	Macroeconomics for Financial Markets	PPT
4-5	Types of Orders & Market Structures	Handout
6	Money Markets	Chapter-5 of Text
7-8	Bond Markets	Chapter-4 of Text
9	EXCEL Exercise on Bond and Money Markets	
10-11	Equity Markets	Chapter-3 of Text
12	The Brokerage Industry	PPT
13-14	Mutual Funds & Pension Funds	Handout
15-16	Fundamentals of Foreign Exchange	Chapter-8 of Text
17-19	Derivative Markets	Chapters 6, 7 and 10 of Text
20	EXCEL Exercise on Equities & Forex	

Final Exam
