

FINA 3011	FINANCIAL MARKETS AND SERVICES	L	T	P	S	J	C
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Pre-requisite	Financial Management						
Co-requisite	None						
Preferable exposure	None						

Course Description:

To provide the student an overview of financial markets and services in India and to familiarize them with necessary fee and fund-based financial services in India. To make the learners understand modern financial needs. Central themes are the structure of financial markets, their pricing function, the interaction between financial markets and macro-economic conditions, and the process of innovation and regulation in these markets. To familiarize students with the study of market efficiency and the interaction between government policies and the financial market. The course will consider the stress on financial instruments, markets in which they are traded, and attendant structures.

Course Educational Objectives:

- Understand what a financial system is and does, and the distinct functions of each component
- Understand some important financial instruments and the economic principles underlying their use
- Able to understand credit rating mechanism and working of mutual funds

UNIT 1	Structure of Financial System	10 hours
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Structure of Financial System – the role of Financial System in Economic Development – Financial Markets and Financial Instruments – Money Markets - Bond Markets - Mortgage Markets - Stock Markets - Foreign Exchange Markets - Derivative Securities Markets – Role of SEBI – Secondary Market Operations – Regulation – Functions of Stock Exchanges – Listing – Formalities – Financial Services Sector Problems and Reforms.

UNIT 2	Financial Services	10 hours
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Financial Services: Concept, Nature and Scope of Financial Services – Regulatory Frame Work of Financial Services – Growth of Financial Services in India – Merchant Banking – Meaning-Types – Responsibilities of Merchant Bankers – Role of Merchant Bankers in Issue Management – Regulation of Merchant Banking in India. Wealth Management System

UNIT 3	Venture Capital	15 hours
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Venture Capital – Growth of Venture Capital in India – Financing Pattern under Venture Capital – Legal Aspects and Guidelines for Venture Capital, Leasing – types of Leases – Evaluation of Leasing Option Vs. Borrowing. Hire Purchase Vs. Leasing (NP in Leasing)

UNIT 4 5 hours

Credit Rating – Meaning, Functions – Debt Rating System of CRISIL, ICRA, and CARE. Factoring, Forfeiting, and Bill Discounting – Types of Factoring Arrangements – Factoring in the Indian Context; (NP in Factoring)

UNIT 5

5hours

Mutual Funds – Concept and Objectives, Functions and Portfolio Classification, Organization and Management, Guidelines for Mutual Funds, Working of Public and Private Mutual Funds in India. Debt Securitization – Concept and Application – De-mat Services-need and Operations-role of NSDL and CSDL. NAV calculation – Sharpe, Jensen, Treynor models

Text Books:

1. Bhole Mahakud, Financial Institutions and Market, TMH, New Delhi
2. V.A.Avadhani, Marketing of Financial Services, Himalayas Publishers, Mumbai

References:

1. DK Murthy and Venugopal, Indian Financial System, IK Int Pub House
2. Anthony Saunders and MM Cornett, Fin Markets & Institutions, MH, New Delhi
3. PUNI Thavash Pandian, Financial Markets and Services, Vikas, New Delhi
4. Vasanth Desai, Financial Markets & Financial Services, Himalaya, Mumbai
5. Meir Khan – Financial Institutions and Markets, Oxford Press Madras, Financial Markets & Institutions, Cengage, New Delhi

Course Outcomes:

1. Analyze & Apply knowledge of Financial Systems and markets
2. Analyze and Apply Various Financial and Merchant Banking Services and their Growth.
3. Analyse Leasing types and Evaluate leasing vs. buying
4. Analyse Credit Rating systems and evaluate Factoring services
5. Understand Mutual funds and types and evaluate NAV calculation models.

CO-PO Mapping:											
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PSO1	PSO2	PSO3	PSO4
CO1	1	1	0	1	0	1	1	1	0	0	0
CO2	0	1	0	1	0	1	1	1	0	0	0
CO3	0	3	0	1	0	1	1	1	0	0	0
CO4	1	3	0	1	0	1	1	1	1	1	0
CO5	1	2	0	1	0	1	1	1	1	0	0

Note: 1 - Low Correlation 2 - Medium Correlation 3 - High Correlation

APPROVED IN:

BOS: 19-05-2021

ACADEMIC COUNCIL: 1-April 2022

SDG No. & Statement:

SDG:8- Decent Work and Economic Growth
SDG:9- Industry, Innovation, and Infrastructure

SDG Justification:

Knowledge of financial markets and services related to 8 & 9 SDGs, as the subject focuses on contributing to economic growth, industrial investments, Innovations, and infrastructure development.