

FIN309:CAPITAL MARKET OPERATIONS

L:0 T:0 P:3 Credits:2

Course Outcomes: Through this course students should be able to

CO1 :: understand the role of various intermediaries in clearing and settlement of trade

CO2 :: analyze the influence of various corporate actions on share valuations

CO3 :: construct the portfolio by implementing the different techniques of trading

CO4 :: employ different hedging strategies to minimize the risk of portfolio using derivatives

List of Practicals / Experiments:

Basics of stock market

- introduction to stock market
- meaning and terminology used in stock market
- major global stock markets and their impact
- major stock exchanges in India
- capital market Intermediaries

Primary market

- difference between primary market and secondary market
- IPO form filling
- grey market
- rating of an IPO
- public issue through prospectus
- offer for sale
- private placement of securities
- rights issue
- book building process
- ASBA

Secondary market operations

- margin trading
- basket trading
- clearing and settlement
- circuit filters and trading bands
- rolling settlement
- types of order
- bhav copy
- surcon

Concept of depository and dematerialization

- role of depository and depository participants
- process of dematerialization
- process of rematerialization

- custodian
- International Securities Identification Number (ISIN)

Market index

- understanding index number
- understanding S&P CNX Nifty
- BSE sensex calculation methodology
- India INX
- alpha value
- beta value

Corporate actions

- concept of ex-dividend
- stock split
- book closure and record date
- share buyback
- bonus issue

Derivative trading on exchange

- future trading mechanism
- trading mechanism of options
- hedging strategies using futures
- mark to market margin
- exchange traded derivatives

Recent developments

- algo trading using AI
- systematic trading
- robo-advisor

Text Books:

1. INDIAN FINANCIAL SYSTEM by MITTAL D.K AND VARSHNEY P.N., SULTAN CHAND & SONS (P) LTD.

References:

1. SECURITIES MARKET BASIC MODULE by NATIONAL STOCK EXCHANGE, NATIONAL STOCK EXCHANGE
2. THE INDIAN FINANCIAL SYSTEM MARKETS, INSTITUTIONS AND SERVICES by BHARTI V PATHAK, PEARSON