

## Course Title: Financial Markets and Services

Course Code	: 17BA3T6FA	External Marks	: 60
Core / Elective	: Core	Internal Marks	: 40
Credits	: 3	Contact Periods	: 3
Year/Semester	: II year/I semester	Tutorial Periods	: 2

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### Course Objectives

This course is aimed at enabling the students:

1. To make investment decision and at providing a comprehensive introduction to the areas of security analysis and portfolio management.
2. To enable a comprehensive and continuing illustration of the application of the techniques of the course with the help of analytical tools.
3. To dwells on the investment avenues, and operations of the Indian stock market and the role of various financial institutions in aiding the capital formation.

### Course Outcomes

Upon completion of this course, students will be able to:

1. Summarise the basic functions and structures of the major financial markets and financial institutions
2. Interpret the key role of a central bank, banking and non-banking companies in the financial systems.
3. Demonstrate an understanding of the range of financial services by studying the working of the various types of financial institutions in India.
4. Distinguish among various financial intermediaries and markets.
5. Assess the role of merchant banking in the evolving financial markets.

**Unit 1- The Basic Theoretical Perspectives:** The financial market system and its nature and scope - Factors affecting the stability of the financial system - Development money market vs. capital market - Financial intermediaries.

**Unit 2- Banking Financial Institutions:** RBI- Central banking- Commercial banks - Public and the private sectors –Structure and comparative performance - Bank capital – Adequacy norms and capital market support; Non- Banking financial institutions- control by RBI and SEBI- A perspective on future role; Commercial paper- features and advantages.

**Unit 3- The Financial Institutions:** A brief historical perspective - An update on the performance of ICIC, IDIBI, IFCI and SFCs - The insurance industry and its regulation - Efficiency and the structure of the insurance industry - Pension funds-Pension plans today.

**Unit 4- Financial Services:** Range of services - Characters - Financial services- UTI and mutual funds organizations and hire purchase finance - Lease finance- Housing finance

organizations - Venture capital financing - Evaluation of factoring and forfeiting - Functions and advantages - Credit rating agency.

**Unit 5- Merchant Banking and Operation:** Nature and scope of merchant banking service - Functions and activities - Bankers to an issue - Portfolio managers - The regulatory framework - SEBI and Regulation of primary and secondary Markets - India company law provisions.

**Case Study:** Compulsory. Relevant cases have to be discussed in each unit.

### **Reference Books**

1. Clifford Gomez, "Financial Markets, Institutions and Financial Services", PHI learning, New Delhi, 2009.
2. Gordon E. and Natarajan K., "Financial Market and Services", Himalaya Publishing House, New Delhi.
3. Meir Kohn, "Financial Institution and Markets", Oxford University press, New Delhi, 2009.
4. Avadhani V. A., "Marketing of Financial Services", Himalaya Publishing House, Mumbai.
5. Bharti V. Pathak, "The Indian Financial System", Pearson Education, New Delhi, 2010.
6. L.M. Bhole, "Financial Institution and Markets", TMH, New Delhi, 2009.
7. Shanmugham R., "Financial Services", Wiley India, New Delhi, 2010.
8. Verma J.C., "Management of Financial Services", Anmol Publications, New Delhi.