SEMESTER -VI

FINANCIAL MARKETS AND SERVICES

1. Course Description

Programme: B.COM (CAP) Max. Hours: 75
Course Code: U24/CCA/DSE/601 Hours per week: 5
Course Type: DSE Max.Marks: 100
No. of Credits: 5

2. Course Objectives

- The course aims to introduce concepts of Financial Markets and also financial services in practice in India
- The course enables students to identify the participants of a financial market and list the characteristics of efficient markets and services
- The course structure helps students identify business opportunities in the Indian Financial Markets and Services sector.

3. Course Outcomes

After the completion of the course, the student will be able to:

CO 1: Define the different components, primary and support activities in a Financial System and list the constituents of Money Market

CO 2: Explain the Primary Market and secondary Market and their components.

CO 3: Describe the basics of leasing and hire purchase and its rationale.

CO 4: Analyze the means of functioning of venture capitalists and factors

CO 5: Judge the working of mutual funds and credit rating.

4. Course Content

MODULE I: FINANCIAL SYSTEM IN INDIA (15 Hrs)

Financial System -Introduction, Role and Functions of Financial system-Constituents of Indian Financial System –organized and unorganized sector- Financial markets-meaning -Types of financial markets- Money Markets and capital markets –Money market- Meaning, Functions and . Structure of money market, - Call Money market-Collateral Loan market- Acceptance Market-Bill Market- Instruments of Money Market -Commercial bills, Treasury Bills, Commercial Paper, Certificate of Deposit- Repos – ADR's and GDR's.Reforms and recent developments in Indian Money markets.

MODULE II: CAPITAL MARKETS (15 Hrs)

Indian Capital Market – Meaning, Objectives and Importance, Functions of capital market, Structure of Capital Market – Indian Primary Market - Intermediaries in Primary markets – Instruments of Primary Market- Role of the New issue market – Book Building Process

Secondary Market-definition, characteristics and functions of Stock exchanges. Introduction to major stock exchanges of India-BSE, NSE, OTCEI - Listing of securities- Procedure for dealing in stock exchanges(DEMAT)-Settlement Procedure and Rolling Settlement -Construction of index –-Insider Trading and SEBI Regulations -Recent developments in capital markets.

MODULE III: FINANCIAL SERVICES-LEASING AND HIRE PURCHASE (15 Hrs)

Meaning and Concept, Characteristics of financial services.Kinds of financial services – fund-based and fee-based services. Intermediaries providing financial services, Growth of financial services sector in India.

Leasing – Financial lease and Operating lease – Differences between Lease and Hire purchase – – Advantages of leasing – Consideration under lease Vs. Buy decision- – Problems of Leasing companies - Hire Purchase – Terms of the agreement under Hire Purchase –Advantages of Hire Purchase.

MODULE IV: VENTURE CAPITAL AND FACTORING (15 Hrs)

Meaning and features of Venture capital. Types of venture capitalists- modes of financing.-Factors affecting investment decisions and stages of investment.--The procedure followed by venture capitalists.-Venture capital in India – need, problems, prospects and growth and SEBI regulation.

Factoring arrangement.-Types and mechanism of factoring.-Differences between factoring and bill discounting.-Functions of a factor- advantages and impact of factoring arrangement on the balance sheet.

MODULE V: CREDIT RATING AND MUTUAL FUNDS (15 Hrs)

Credit Rating- Origin, meaning, definition, and nature of credit rating. Need and importance of credit rating agencies in India- CRISIL, ICRA, CARE.,CIBIL
Mutual Funds- Concept and meaning of mutual funds.Types of the mutual fund.Organization of mutual funds.Performance of mutual funds, Advantages, and Problems.

5 References

1. Bharati V .Pathak- Indian Financial System-Pearson Education India
2. Gordon and Natarajan- Financial Markets and Services-Himalaya Publishing House
3. Vasant Desai,-The Indian Financial System and Development-Himalaya Publishing House
4.ShashiK.Gupta,NishaAgarwal,NeetiGupta-FinancialInstitutions&Markets-KalyaniPublishers
5.Shashi K Gupta and NishaAggarwal-.Financial Services -, Kalyani Publishers
(Latest editions of the readings to be used.

Model Question paper – End Semester Exam

FINANCIAL MARKETS AND SERVICES

Course Code: U24/CCA/DSE/601 Max Marks: 60

Credits: 5 Time: 2 Hrs

SECTION - A

I. Answer the following 5 x 10 = 50 M

1. Define Financial System. Explain the various constituents of the Financial System in detail?

OR

2. List the various instruments used in the Indian Money Market. ?

3. Describe the structure and composition of intermediaries in primary markets?

OR

4. Explain Listing and Trading of Securities. Discuss the documents to be filed with the Stock Exchange for listing of securities?

5. Explain Financial Leasing and Operating Leasing in brief. Also, discuss the problems faced by

leasing Companies.

OR

6. Discuss the meaning and merits of the Hire Purchase System. State about the Terms of Agreement under hire purchase?

7. Compare and contrast between the working of Factoring and Bills Discounting?

OR

8. Classify the various categories of Venture Capitalists. and also analyse the factors affecting their investment decisions.

9. Assess the role of Credit Rating Agencies with special reference to the working of CRISIL and ICRA in brief?

OR

10. Critically evaluate the performance of the Mutual Fund sector in India in brief.

Section B

Answer any Five of the following: 5×2=10 Marks

11. Define ADR?
12. Explain about BSE Sensex briefly?
13. Discuss in brief about Hire Purchase Agreement ?
14. Analyze the basic problems faced by Venture capitalists?
15. Justify the significance of CIBIL in the financial services sector in brief?
16. Explain about Insider Trading in brief?
17. Discuss about OTCEI?