BBA618C2
FINANCIAL INSTITUTIONS AND MARKETS

COURSE OBJECTIVE: The objective of this paper is to introduce students to the different aspects and components of financial Institutions and financial markets. This will enable them to take the rational decision in financial environment.

UNIT I
Structure of Indian Financial System: An overview of the Indian financial system, financial sector reforms: context, need and objectives; major reforms in the last decade; competition; deregulation; capital requirements; issues in financial reforms and restructuring; future agenda of reforms; Regulation of Banks, NBFCs & FIs: Salient provisions of banking regulation act and RBI Act; Role of RBI as a central banker; Products offered by Banks and FIs: Retail banking and corporate banking products. Universal Banking: need, importance, trends and RBI guidelines, Core banking solution (CBS); RTGS and internet banking, NBFCs and its types; comparison between Banks and NBFCs

UNIT II
Introduction to Financial Markets in India: Role and Importance of Financial Markets, Financial Markets: Money Market; Capital Market; Factors affecting Financial Markets, Linkages Between Economy and Financial Markets, Integration of Indian Financial Markets with Global Financial Markets, Primary & secondary market, Currency Market, Debt Market- role and functions of these markets. Primary Market for Corporate Securities in India: Issue of Corporate Securities: Public Issue through Prospectus, Green shoe option, Offer for sale, Private Placement, Rights Issue, On-Line IPO, Book Building of Shares, Disinvestment of PSU, Employees Stock Options, Preferential Issue of Shares, Venture Capital, Private Equity, Performance of Primary Market in India, Corporate Listings : Listing and Delisting of Corporate Stocks.

UNIT III
Secondary Market in India: Introduction to Stock Markets, Regional and Modern Stock Exchanges, International Stock Exchanges, Demutualization of exchanges, Comparison between NSE and BSE, Raising of funds in International Markets: ADRs and GDRs, FCCB and Euro Issues; Indian Stock Indices and their construction, maintenance, adjustment for corporate actions (rights, bonus and stock split;) on index with numerical, free float vs. full float methodology, Classification of Securities to be included in the Index, Bulls and Bears in Stock Markets, Factors influencing the movement of stock markets, indicators of maturity of stock markets, Major Instruments traded in stock markets: Equity Shares, Debentures, Myths attached to Investing in Stock Markets. Trading of securities on a stock exchange; Selection of broker, capital and margin requirements of a broker, MTM and VAR Margins, kinds of brokers, opening of an account to trade in securities, DEMAT System, placing an order for purchase/sale of shares, margin trading and margin adjustment, contract note and settlement of contracts, Algorithmic trading, Settlement mechanism at BSE & NSE

UNIT IV
Money Markets & Debt Markets in India: Money Market: Meaning, role and participants in money markets, Segments of money markets, Call Money Markets, Repos and reverse Repo concepts, Treasury Bill Markets, Market for Commercial Paper, Commercial Bills and Certificate of Deposit. Role of STCI and DFHI in money market, Debt Market: Introduction and meaning, Market for Government/Debt Securities in India, Secondary market for government/debt securities, Over subscription and devolvement of Government Securities, Government securities issued by State Governments, Municipal Bonds, Corporate Bonds vs. Government Bonds

SUGGESTED READINGS:
1. Saunders, Anthony & Cornett, Marcia Millon (2007). *Financial Markets and Institutions (*3rd ed.). Tata McGraw Hill
2. Khan, M Y. (2010). *Financial Services* (5th ed.). McGraw Hill Higher Education
3. Shahani, Rakesh(2011). *Financial Markets in India: A Research Initiative.* Anamica Publications
4. Goel, Sandeep. (2012). *Financial services.* PHI.
5. Gurusamy, S. (2010). *Financial Services.* TMH.