

COMMERCE: FINANCE

SEMESTER – 1 st	<i>MAJOR / MINOR COURSE</i>
COM122M2: COMMERCE (INDIAN FINANCIAL SYSTEM)	CREDITS: THEORY: 04 PRACTICAL / TUTORIAL: 02

Course Description:

The course covers the entire gamut of Indian Financial system such as Financial Instruments, Financial Markets, Financial Institutions and Financial Services. It also highlights how important the efficient financial system is for the economic growth & development.

Objectives:

This course is aimed with the following specific objectives:

- To build conceptual understanding about various aspects of a financial system with particular reference to Indian Financial System;
- To grasp mechanics of various financial instruments, financial services and institutions;
- To understand mechanism of various types of financial markets.

Learning Outcomes:

After going through this course, the students are expected to:

- Have a thorough understanding of the rationale and significance of a financial system in supporting the acceleration of economic growth and development.
- Have an understanding of different of different money market instruments and how each of the segments of this market operates.
- How primary and secondary capital markets in India operate?
- How to invest directly or indirectly in the capital market?

Curriculum Details

Unit- I:

(Marks: 15)

Financial Systems: Significance, Functions and structure of financial system, Indian financial system, Financial Dualism, Financial Sector reforms, SEBI, Role & its Functions; Financial instruments, Debentures, Shares, ADRs, GDRs and ECBs. Derivative trading – Futures & options contracts.

Unit -II:

(Marks: 15)

Money Market: Meaning and Functions, Constituents of Money Market: Call Money Market, Treasury Bill Market, Certificate of Deposit Market, Commercial Bills Market and

Commercial Paper Market. Method of Auction of Treasury bills, RBI's Negotiated Dealing System, CCIL and its role as inter-bank market maker, FIMMDA and its role in money market.

Unit -III

(Marks: 15)

Capital Market : Structure and Functions of Capital Market; Primary Market its role & Functions, Methods of selling securities in Primary Market, SEBI Guidelines for different types of issues, procedures for Pricing of new issues, Appointment & role of Merchant Bankers, Underwriters, Lead Managers, Brokers, Bankers & Registrars, Allotment of shares, Secondary Market stock exchanges. Types of stock exchanges, Listing & De-listing of securities. Screen based Trading System and Settlement.

Unit -IV

(Marks: 15)

Financial Institutions: RBI; Commercial Banks; Developmental Financial Institutions; Fee Based Financial Services, Fund Based Financial Institutions.

Unit-V and Unit-VI (Tutorial/Practical) Continuous Assessment

Review of Offer Document, Analysis of Public Issues and Analysis of Monthly Monetary Policy of RBI.

Analysis of Indian Stock Markets. Assignment on new developments in the Indian Stock Market. Analysis of Bull and Bear Market Phases.

Note: The Teacher shall give assignments from the above topics to the students and students shall submit report for evaluation by the concerned teacher.

Suggested Readings:

- Pathak, Bharti, The Indian Financial System, 2nd Edition, Pearson Education, India 2008
- Khan, M. Y. Indian Financial System, Tata McGraw Hill New Delhi.
- Bhole, L. M., Indian Financial System, Tata McGraw Hill New Delhi.
- Bhole, L. M., Financial Institutions & Markets Structure, Growth & Innovations, Tata McGraw Hill New Delhi.
- Varshney, Indian Financial System Sultan P.N. Chand & Sons, New Delhi.
- Desai, Vasant, The Indian Financial System, Himalaya Publishing House, New Delhi.