

COMMERCE: FINANCE

2 nd SEMESTER	MAJOR COURSE
FIN222J: FINANCIAL SERVICES (FINANCE - COMMERCE)	CREDITS: THEORY: 04; TUTORIAL: 02

Course Description:

Financial engineering and innovation have created a variety of financial services and products that were previously unimaginable. This course elaborates upon those services and products available in the financial system for both individuals' and institutional participants.

Objectives:

This course is aimed to achieve the following objectives:

- To disseminate information and create awareness about the various forms of financial services available in the financial system.
- To develop thorough understanding of the functioning of financial services.
- To create expertise among the students of commerce and management with regard to the intricacies of financial services.

Learning Outcomes:

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

- Have a fair and up to date knowledge of the various financial services at the disposal of various market participants.
- Have a satisfactory degree of understanding of the complexities of the financial services.
- Have insights into the principles, operational policies, and practices of financial services' sector to meet the growing needs of the economy.

CURRICULUM DETAILS (THEORY: 4 CREDITS):

Unit-I

Financial Services: concepts, objectives, characteristics, classification and constituents. Growth of financial services in India and the challenges faced. Lease Financing: introduction, theoretical and regulatory framework, advantages of leasing, types of leasing, income tax considerations. Hire Purchase Finance: introduction, characteristics, advantages of hire purchase, methods of calculating interest rates and income tax considerations.

Unit-II

Factoring: introduction, origin, types of factoring and functions of factoring. Forfeiting: underlying concept, sequence of operations, costs and benefits of forfeiting. Factoring vs forfeiting. Insurance Services: introduction, history of insurance, need of insurance. Indian Insurance Act and regulations, types of insurance products and services, banc assurance, reinsurance and insurance ombudsmen. Housing Finance: introduction, origin, housing finance institutions, schemes, growth factors and major issues, guidelines for extending equity and refinance support.

Unit-III

Venture Capital Financing: origin and concept, dimensions and advantages, rationale and financial sources, styles of venture financing and methods of evaluation, stages of venture capital funds and regulatory framework in India. Modern Banking Products and Services: deposit and lending products, retail and money market products, emergence of information technology-based banking services, tele banking, Electronic Fund Transfer, smart cards, POS terminals, Demat account, online banking, Clearing House Automated Payment System (CHAPS), Society for World-wide Inter-banking Fast Transfer (SWIFT), digital payment system. Mutual Funds: origin and concept, products and schemes in India, management and regulatory structure, functions and working of asset management companies, evaluation of mutual funds.

Unit-IV:

Investment Banking, definition and origin, functions and services, underwriting, brokers to issue, debenture trustees, portfolio management, difference between investment banking and merchant banking and regulatory framework in India. Corporate Restructuring: introduction, conceptual framework and financial framework. Legal aspects of various forms of corporate restructuring. Procedures for various forms of corporate restructuring. Credit Rating: introduction, objectives and types of ratings, methodology and rating symbols, credit rating agencies in India and regulatory framework. Securitization: introduction, mechanism and importance, regulatory framework and challenges in India.

UNIT V AND UNIT VI (TUTORIAL/PRACTICAL) 2 CREDITS

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

Suggested Readings:

- Khan M. Y, *Financial Services*, Tata McGraw Hill Education.
- Gurusamy S, *Financial Services and Systems*, Tata McGraw Hill Education.
- Tripathy Nalini P, *Financial Services*, PHI Learning.
- Pandian, Punithavathy, *Financial services and Markets*, Vikas Publishing.
- Saunders Anthony & Cornett Millon M, *Financial Institutions and Management*, Tata McGraw Hill Education.