

M.Com. Part II
CAPITAL MARKET AND FINANCIAL SERVICES

Semester IV

Subject Code: MCM 41601

Lectures: 60

Objectives:

- To impart knowledge to the students about the structure, functions, regulation and developments in the Financial System
- To make them aware of the career and investment opportunities in the field

Unit 1: Indian Financial System

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- Financial System:
 - Concept and Structure
- Functions of Financial System
- Constituents of Financial System:
 - Financial Institutions
 - Financial Instruments
 - Financial Markets
 - Financial Services
- Stability of Financial System [Pre- and Post Liberalisation]

Unit 2: Capital Market

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- Capital Market:
 - Definition, Functions
 - Modes of Raising Capital- Going Public (Through Sale of Prospectus, Offer for Sale, Private Placement)
- Structure of Capital Market:
 - Government Securities Market & Industrial Securities Market
 - Primary Market and Secondary Market
 - Initial Public Offers: Process-
 - ❖ Brokers' Role and Obligations
 - Classification and Role of Stock Exchanges:
 - ❖ Regular Stock Exchanges
 - ❖ Over the Counter Exchanges
 - Trading and Settlement System

- Stock Exchanges in India :
 - Bombay Stock Exchange
 - National Stock Exchange
 - Over the Counter Exchange of India
- Developments in the Capital Market:
 - Depository System
 - Dematerialisation
 - Demutualisation
 - Trading and Circuit Breakers
 - Entry to International Financial Markets [ADR GDR Listing]
- Rights of Investors

Unit 3: Financial Services

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- Financial Services: Classification
- Fund based Financial Services:
 - Mutual Funds:
 - Importance
 - Types
 - Venture Capital:
 - Importance
 - Types of Venture Capital Funds
 - Leasing:
 - Functions
 - Types of Lease
- Fee based Financial Services
 - Merchant Banking:
 - Role of Merchant Bankers
 - Services Rendered
 - Portfolio Management:
 - Role of Portfolio Managers
 - Kinds of Portfolios
 - Factoring :
 - Benefits
 - Types of Factoring
- Recent Advances in Financial Services:
 - Crowd Funding-Meaning
 - Angel Finance-Meaning

Unit 4: Regulatory Framework for Financial System

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- RBI:
 - Regulation for NBFCs-
 - RBI Classification of NBFCs
 - RBI Guidelines for NBFCs
 - Regulation of Foreign Funds
- Securities Exchange Board of India:
 - Role of SEBI in the Capital Market
 - Listing process through SEBI
 - Supervision of Securities Market
 - Penalties for Defaulters and Brokers
 - Protection of Small Investors
- Insurance Regulatory and Development Authority:
 - Developments in Insurance Services:
 - Life Insurance
 - Health Insurance
 - Foreign Participation
 - Rural Insurance
 - Micro Insurance
- Pension Fund Regulatory and Development Authority:
 - Need for regulation of Pension Funds

Case Studies, Assignments, Library Hours	12
Workshops	

Reference Books:

1. Bhole L. M. (2004) "Financial Institutions and Markets Structure, Growth and Innovations" Tata McGraw Hill Publishing Company Ltd., New Delhi
2. Bihari S.C. (2012) "Indian Financial System", 1st Ed, New Delhi, International Book House Pvt. Ltd.
3. Gurusamy S. (2004), "Indian Financial System", Chennai, Vijay Nicole Imprints Pvt. Ltd.
4. Gurusamy S. (2006), "Financial Markets & Institutions" Chennai, Vijay Nicole Imprints Pvt. Ltd.
5. Kohok M. A (2011), "Advanced Financial Management", 15th Ed, Pune, Everest Publishing House.
6. Kohn Meir (2013) "Financial Institutions & Markets" Oxford University Press, India
7. Kothari Rajesh (2010), "Financial Services in India: Concept and Application" New Delhi, SAGE Publications India Pvt. Ltd.
8. Mishkin Frederic and Stanley Eakins (2006) "Financial Markets and Institutions", Pearson 5th Ed

9. Machiraju H.R. (2003) "Indian Financial System", 2nd Ed, New Delhi, Vikas Publishing House Pvt. Ltd.
10. Saunders Anthony & Cornett Marica Millon "Financial Markets and Institutions- An Introduction to the Risk Management Approach." 3rd Ed, VOICE New Century