

Banking and Finance II
Indian Financial System

Semester V	Subject Code: C 51706	Lectures: 60
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Objectives:

- To equip the students with a clear understanding of:
 - The Indian Financial System and its various Constituents
 - The Reforms introduced in the Indian Financial System.

Unit 1: Financial System	06
<ul style="list-style-type: none"> • Financial System <ul style="list-style-type: none"> ○ Meaning ○ Structure ○ Role • Constituents of the Financial System <ul style="list-style-type: none"> ○ Financial Markets: Money Market, Capital Market, Foreign Exchange Market and Commodity Market ○ Financial Institutions: Banking Finance Institutions and Non Banking Finance Institutions ○ Financial Assets ○ Financial Services • An Overview of the Indian Financial System 	

Unit 2: Derivatives in the Financial Markets	10
<p>Derivatives</p> <ul style="list-style-type: none"> • Meaning and Definition • Types of Financial Derivatives <ul style="list-style-type: none"> ○ Forwards ○ Futures ○ Options ○ Swaps • Benefits of Derivatives 	

Unit 3: Indian Money Market	10
<ul style="list-style-type: none"> • Indian Money Market <ul style="list-style-type: none"> ○ Structure ○ Features • Sub-markets and Instruments of the Indian Money Market 	

<ul style="list-style-type: none"> ○ Call/Notice Money Market ○ Commercial Bills Market ○ Treasury Bills Market ○ Commercial Paper (CP) Market ○ Certificate of Deposit (CD) Market ○ Repos and Reverse Repos Market ○ Money Market Mutual Funds (MMMFs) Market ● Institutions in the Indian Money Market <ul style="list-style-type: none"> ○ Discount and Finance House of India Ltd. (DFHI) ○ Securities Trading Corporation of India Ltd. (STCI) ○ Primary Dealers (PDs) ○ Satellite Dealers (SDs) ● Limitations of the Indian Money Market ● Reforms in the Indian Money Market, post 1991 	
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Unit 4: Indian Capital Market	12
<ul style="list-style-type: none"> ● Indian Capital Market <ul style="list-style-type: none"> ○ Features ○ Structure ● Constituents of Indian Capital Market <ul style="list-style-type: none"> ○ Industrial Securities Segment ○ Government Securities Segment ● Participants in the Indian Capital Market ● Instruments in the Indian Capital Market ● Stock Exchanges in India <ul style="list-style-type: none"> ○ Bombay Stock Exchange Ltd. ○ National Stock Exchange Ltd. ○ Over-The-Counter-Exchange of India Ltd. ○ Global Stock Exchanges – An Overview ● Stock Indices in India <ul style="list-style-type: none"> ○ SENSEX - Meaning ○ Methodology for Calculation ○ Nifty – Meaning ○ Methodology for Calculation ○ Full Market Capitalization versus Free Float Market Capitalization ● Limitations of Indian Capital Market ● Reforms in the Indian Capital Market, post 1991. 	

Unit 5: Foreign Exchange Market in India	10
<ul style="list-style-type: none"> • Foreign Exchange Market <ul style="list-style-type: none"> ○ Meaning ○ Features ○ Transactions in the Foreign Exchange Market – Based on types of parties and time of settlement ○ Types of Risks in the Foreign Exchange Market • Foreign Exchange Market in India <ul style="list-style-type: none"> ○ Structure and Constituents of the Foreign Exchange Market in India ○ Role of the Reserve Bank of India in the Foreign Exchange Market 	

***Assignments and library hours – 12 hours**

Recommended Books (Semester V):

- Machiraju H.R.: “*Indian Financial System*” New Delhi: Vikas Publications, 2006.
- Khan M.Y. “*Indian Financial System*”, New Delhi: Tata McGraw-Hill Publishing Company Ltd. Latest Ed.
- Bhole L. M.: “*Financial Institutions and Markets Structure, Growth and Innovations*”, New Delhi: Tata McGraw Hill Publishing Company Ltd., Latest Ed.
- Dr. Gurusamy S. “*Financial Services and Markets*”, Vijay Nicole Imprints Pvt. Ltd., 2004.
- Dr. Gurusamy S. “*Financial Markets and Institutions*”, Vijay Nicole Imprints Pvt. Ltd., 2004.

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- Batra G.S. “*Financial Services and Markets*”, New Delhi: Deep and Deep Publications Pvt. Ltd., Latest Ed.
- Kothari Rajesh. “*Financial Services in India Concept and Application*”, New Delhi, Sage Publications. 2010.
- Saunders Anthony and Cornett Marica Millon “*Financial Markets and Institutions - An Introduction to the Risk Management Approach*”. 3rd Ed
- VOICE New Century, edited by Prof. Sri Ram Khanna. “*Financial Markets in India and Protection of Investors.*”
- Frederic Mishkin and Stanley Eakins. “*Financial Markets and Institutions*”. 2006. Pearson 5th Edition.

Webliography (Semester V):

- www.rbi.org.in
- www.sebi.gov.in
- www.bseindia.com
- www.nseindia.com
- www.otcei.net

Dailies (Semester V):

- Economic Times
- Financial Express
- Maharashtra Times
- Mint
- Sakaal

Banking and Finance II
Financial Services in India

Semester VI	Subject Code: C 61706	Lectures: 60
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Objectives:

- To equip the students with a clear understanding of:
 - The different Financial Services in India
 - The role of Financial Service Institutions in India.

Unit 1: Financial Services	06
<ul style="list-style-type: none"> • Financial Services <ul style="list-style-type: none"> ○ Meaning ○ Features and Functions • Kinds of Financial Services <ul style="list-style-type: none"> ○ Asset based/Fund based services ○ Fee based/Advisory services • Financial Services Market <ul style="list-style-type: none"> ○ Meaning ○ Constituents • Financial Regulation/Regulators <ul style="list-style-type: none"> ○ IRDA (Malhotra Committee) ○ NHB ○ SEBI 	

Unit 2: Asset based/Fund based services -I	12
<ul style="list-style-type: none"> • Insurance : <ul style="list-style-type: none"> ○ Meaning ○ Types of Insurance: Life Insurance and General Insurance ○ Types of Life Insurance and General Insurance Products ○ Terms specific to Life Insurance – Agent Advisor, Policy, Insured, Insurer, Assured, Proposal Form, Standard and Non-Standard Life, Premium, Human Life Value, Nomination, Assignment, Surrender Value, Paid-up Value, Claim, Compensation. ○ Life Insurance and General Insurance Companies in India • Mutual Funds <ul style="list-style-type: none"> ○ Definition and Features ○ Advantages and Disadvantages of Mutual Funds ○ Types of Mutual Fund Schemes ○ Terms related to Mutual Funds 	

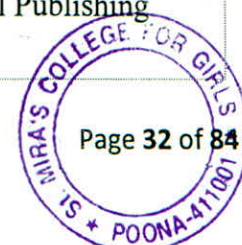
Unit 3: Asset based/Fund based services - II	10
<ul style="list-style-type: none"> • Housing Finance <ul style="list-style-type: none"> ○ Need for Housing Finance ○ Trends and Characteristics of the Indian Housing Finance Market ○ Procedure for Home Loan ○ Suppliers of Housing Finance ○ Terms related to Home Loans • Venture Capital Financing <ul style="list-style-type: none"> ○ Meaning and Features ○ Advantages of Venture Capital Financing ○ Venture Capital Finance Companies in India 	

Unit 4: Fee based/Advisory Services	10
<ul style="list-style-type: none"> • Credit Rating <ul style="list-style-type: none"> ○ Meaning, Definition and Features ○ Advantages and Disadvantages of Credit Rating ○ Credit Rating Process ○ Credit Rating Agencies in India • Merchant Banking (4 lectures) <ul style="list-style-type: none"> ○ Meaning ○ Functions 	

Unit 5: Emerging/New Trends in Financial Services	10
<ul style="list-style-type: none"> • Personal Financial Planning <ul style="list-style-type: none"> ○ Meaning ○ Functions ○ Need • Pension Funds <ul style="list-style-type: none"> ○ Meaning ○ Need ○ Role of PFRDA 	

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- Bhole L. M. “*Financial Institutions and Markets Structure, Growth and Innovations*”. New Delhi: Tata McGraw Hill Publishing Company Ltd.,
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