

Course Handout for 2nd Year MBA PROGRAM

Course Title	: Financial Markets & Services
Course Code	: FM406
L-T-P-S Structure	: 4-0-0-0
Credits	: 4
Pre-requisite	: NA
Course Coordinator	: Santana Guha
Team of Instructors	: NA
Teaching Associates (For LAB only)	: NA

Course Objective: Students will acquire basic knowledge of the fundamentals of financial markets and financial services, the features of the formation of modern financial markets, on the practical application of financial instruments, the types of financial institutions and their roles and functions in the financial markets.

COURSE OUTCOMES (COs):

CO No	Course Outcome (CO)	Blooms Taxonomy Level (BTL)	Target %
CO1	Understand the role and function of the financial system.	2	60% marks
CO2	Demonstrate an awareness of the current structure and regulation of the Indian financial services sector.	3	60% marks
CO3	Analyze the features of derivatives instruments, the different motivation of their use and how they are traded.	4	65% marks
CO4	Assess Leasing & Hire Purchase as method of Financing .	4	65% marks
CO5	Evaluate and create strategies to promote financial products and services.	5	70% marks

PROGRAM OUTCOMES(POs):

PO Number	Description
PO1	Apply knowledge of Management theories and practices to solve business problems.
PO2	Foster analytical and critical thinking abilities for data based decision making.
PO3	Ability to develop value based leadership ability

P04	Ability to understand, analyze and communicate global, economic, legal and ethical aspects of business
P05	Ability to lead themselves and others in the achievement of the organizational goals, contributing effectively to a team environment.

Mapping of Course Outcomes and Program Outcomes:

Course Outcomes	POs					PSOs	
	1.	2.	3.	4.	5.	1.	2.
C01	2	-	-	-	-	-	2
C02	-	2	-	1	-	-	-
C03	1	1	1	-	-	-	1
C04	1	2	1	1	-	-	1
C05	-	2	-	-	-	-	-
C0	1.33	1.75	1	1	-	-	1.33

1 = courses in which the student will be exposed to a topic

2 = courses in which students will gain competency in that area

3 = courses in which students will master that skill

SYLLABUS:

MODULE I:

1. **Indian Financial System:** Financial system, Financial Assets, Financial Intermediaries, Financial Markets, Classification, Components of Financial Market, Financial Instruments, Multiplicity of Financial Instruments [4L]
2. **Money Market :** Definition, Money Market and Capital Market and their Features, Objectives, Features of a Developed Money Market, Importance of Money Market, Composition of Money Market, Money Market Instruments, Structure of Indian Money Market, Features of Indian Money Market. [4L]
3. **New Issue Market :** Relationship between New Issues Market and Stock Exchange, Functions of New Issue Market, methods of floating of new Issues, Players in the New Issue Market, general guidelines for new issue, Recent regulations for IPO. [4L]
4. **Secondary Market :** Introduction, Control Over Secondary Market, Registration of Stock Brokers, Registration Procedure, Listing of securities, Method of Trading in a Stock Exchange, settlement procedure, online trading, defects of Indian capital markets, Depository services, Emergence of NSE, Objectives, Features of NSE- Comparative analysis of BSE & NSE functioning. [4L]

5. **Securities and Exchange Board of India:** SEBI – Background, Objectives, Functions, Powers, Organization, SEBI and the Central Government, SEBI Guidelines for Primary Market, Secondary Market. [2L]

MODULE II:

6. **Mutual Funds:** Concept - Types - Nature – NAV& SIP – Trends in Indian Mutual Fund Market - SEBI & Mutual Fund, Sharpe's ratio, Treynor's ratio, alpha ratio, and beta related to mutual fund. Role of AMFI. [4L]
7. **Merchant Banking:** Concept -Types -Functions - Trends in Merchant Banking in India - SEBI & Merchant Banking, features, scope and importance of venture capital, Nitin Desai committee on venture capital, Angel investment. [4L]
8. **Leasing & Hire Purchase Finance:** Definition of Leasing, Types of Lease, The Leasing Process, Definition of Hire Purchase, Rights of Hirer, Rate of Interest, and Evaluation of Leasing & Hire Purchase as method of financing. [4L]
9. **Financial Services:** Discounting, Factoring – meaning, Types, cost and benefits, Factoring v/s discounting; Forfaiting – working of forfaiting, benefits. Securitisation of Debt - Types of securities, structure and benefits of securitization, securitization v/s factoring. [4L]
10. **Credit Rating Agencies:** Concept - Functions - Different Credit Rating Agencies - Popular Symbols – SEBI & Credit Rating. [4L]
11. **Case Studies** [2L]

TEXT BOOKS:

1. Fabozzi: Financial Markets & Institutions, Pearson
2. Guruswamy: Financial services and Markets, Thomson Learning
3. Khan: Indian Financial Systems, Tata McGraw-Hill
4. Gordon Natarajan, Financial Markets and Services, Himalaya Publishing

REFERENCE BOOKS:

1. Pathak: Indian Financial System, Pearson
2. L. M. Bhole, Jitendra Mahakund, Financial Institutions & Markets – Structure, Growth & Innovation; Tata McGraw Hill

COURSE DELIVERY PLAN:

Week	CO	Topic (s)	Book No [CH No][Page No]	Teaching-Learning Methods	Planned Date	Execution Date
1	1	Financial system, Financial Assets	Financial markets and services: Gordon & Natarajan, Ch-1 pg:1-5	T: PPT L: Observes understands	9.01.24	

1	1	Financial Intermediaries, Financial Markets, Classification	Financial markets and services: Gordon & Natarajan, Ch-1 Pg:8	T: PPT L: Observes understands	10.01.24	
	1	Components of Financial Market	Financial markets and services: Gordon & Natarajan, Ch-1 Pg:9	T: PPT L: Observes understands	11.01.24	
3	1		Financial markets and services: Gordon & Natarajan, Ch-1 Pg:18-19	T: Lecturing L: Observes understands	17.01.24	
4	1	Financial Instruments, Multiplicity of Financial Instruments				
5	1	Definition, Money Market and Capital Market and their Features, Objectives	Financial markets and services: Gordon & Natarajan, Ch-2 Pg:31-32	T: PPT L: Observes understands	18.01.24	
	1	Features of a Developed Money Market, Importance of Money Market	Financial markets and services: Gordon & Natarajan, Ch-2 Pg:33--35	Flipped class room	19.01.24	
6	1	Composition of Money Market, Money Market Instruments	Financial markets and services: Gordon & Natarajan, Ch-2 Pg:36&-50-53	Flipped class room	24.01.25	
7						

8	1	Structure of Indian Money Market, Features of Indian Money Market	Financial markets and services: Gordon & Natarajan, Ch-2 Pg:64-67	T: PPT L: Observes understands	25.01.24	
9	1	Relationship between New Issues Market and Stock Exchange, Functions of New Issue Market	Financial markets and services: Gordon & Natarajan, Ch-3 Pg:75-76	T: PPT L: Observes understands	30.01.24	
10	1	Methods of floating of new Issues, Players in the New Issue Market	Financial markets and services: Gordon & Natarajan, Ch-3 Pg:79-80 & 93-95	T: PPT L: Observes understands	31.01.24	
11	2	General guidelines for new issue	Financial markets and services: Gordon & Natarajan, Ch-3 Pg:83-84	T: PPT L: Observes understands	2.02.24	
12	2	Recent regulations for IPO	Financial markets and services: Gordon & Natarajan, Ch-3 Pg:84-85	T: PPT L: Observes understands	6.02.24	
13	2	Introduction of Secondary market, Control Over Secondary Market	Financial markets and services: Gordon & Natarajan, Ch-4 Pg:84-85	T: PPT L: Observes understands	7.02.24	
14	2	Registration of Stock Brokers, Registration Procedure, Listing of securities functioning	Financial markets and services: Gordon & Natarajan, Ch-4 Pg:108-116	T: PPT L: Observes understands	8.02.24	
15	2	Method of Trading in a Stock Exchange, settlement procedure, online trading, defects of Indian capital markets, Depository services	Financial markets and services: Gordon & Natarajan, Ch-4 Pg:122-130	T: PPT L: Observes understands	9.02.24	
16	2	Emergence of NSE, Objectives, Features of NSE- Comparative analysis of BSE & NSE	Financial markets and services: Gordon & Natarajan, Ch-4 Pg:193-195	T: PPT L: Observes understands	13.02.24	
17	2	SEBI – Background, Objectives, Functions, Powers, Organization	Financial markets and services: Gordon & Natarajan, Ch-6 Pg:165-167	Flipped class room	15.02.24	

18	2	SEBI and the Central Government, SEBI Guidelines for Primary Market, Secondary Market	Financial markets and services: Gordon & Natarajan, Ch-5 Pg:167-170	T: PPT L: Observes understands	16.02.24	
19	2	Mutual Fund Concept - Types - Nature - NAV& SIP -	Financial markets and services: Gordon & Natarajan, Ch-13 Pg:312-328	T: Chaik & Talk, PPT L: Observes understands	20.02.24	
20	2	Trends in Indian Mutual Fund Market - SEBI & Mutual Fund	Financial markets and services: Gordon & Natarajan, Ch-13 Pg:345	T: Lecturing L: Problem based learning	21.02.24	
21	2	Sharpe's ratio, Treynor's ratio, alpha ratio	Financial markets and services: Gordon & Natarajan, Ch-13 Pg:331-332	T: Chalk & Talk L: Problem based learning	22.02.24	
22	3	Beta related to mutual fund. Role of AMFI.	Financial markets and services: Gordon & Natarajan Ch-13 Pg:333	T: Chalk & Talk L: Problem based learning	23.02.24	
23	3	Merchant Banking: Concept - Types - Functions	Financial markets and services: Gordon & Natarajan, Ch-9 Pg:245	T: PPT L: Observes understands	27.02.24	
24	3	Trends in Merchant Banking in India - SEBI & Merchant Banking	Financial markets and services: Gordon & Natarajan, Ch-10 Pg:258-263	T: PPT L: Observes understands	28.02.24	
25	3	Features, scope and importance of venture capital	Financial markets and services: Gordon & Natarajan, Ch-12 Pg:293-299	T: PPT L: Observes understands	29.04.24	
26	3	Nitin Desai committee on venture capital, Angel investment.	Financial markets and services: Gordon & Natarajan, Ch-12 Pg:310-311	T: PPT L: Observes understands	1.03.24	
27	4	Leasing & Hire Purchase Finance: Definition of Leasing, Types of Lease, The Leasing Process	Financial markets and services: Gordon & Natarajan, Ch-12 Pg:272-278	Flipped class room	5.03.24	
28	4	Definition of Hire Purchase, Rights of Hirer, Rate of Interest,	Financial markets and services: Gordon & Natarajan, Ch-10 Pg:264-271	T: PPT L: Observes understands	6.03.24	

	4	Evaluation of Leasing	Financial markets and services: Gordon & Natarajan, Ch-11 Pg:280-286	T: PPT L: Observes understands	7.03.24	
30	4	Hire Purchase as method of financing	Financial markets and services: Gordon & Natarajan, Ch-10 Pg:268	T: PPT L: Observes understands	8.03.24	
31	4	Discounting, Factoring – meaning, Types	Financial markets and services: Gordon & Natarajan, Ch-14 Pg:348-350	T: PPT L: Observes understands	12.03.24	
32	4	Discounting, Factoring: cost and benefits	Financial markets and services: Gordon & Natarajan, Ch-14 Pg: 353-363 &369-371	T: Chalk & Talk L: Problem based learning	13.03.24	
33	4	Factoring v/s discounting; Forfaiting – working of forfaiting ,Benefits	Financial markets and services: Gordon & Natarajan, Ch-14 Pg:356 &372-373	T: PPT L: Observes understands	14.03.24	
34	4	Securitisation of Debt - Types of securities, structure	Financial markets and services: Gordon & Natarajan, Ch-15 Pg:378-380	T: PPT L: Observes understands	15.03.24	
35	4	Benefits of securitization, securitization v/s factoring..	Financial markets and services: Gordon & Natarajan, Ch-15 Pg:378-380	T: PPT L: Observes understands	19.03.24	
36	4	Credit Rating Agencies: Concept - Functions	Financial markets and services: Gordon & Natarajan, Ch-17 Pg:422-424	T: PPT L: Observes understands	02.04.24	
37	4	Different Credit Rating Agencies –CRISIL, IICRA	Financial markets and services: Gordon & Natarajan, Ch-17 Pg:427-432	T: PPT L: Observes understands	3.04.24	
38	5	CARE, DCR & ONICRA	Financial markets and services: Gordon & Natarajan, Ch-17Pg:432-433	T: PPT L: Observes understands	5.04.24	
39	5	Popular Symbols of ratings	Financial markets and services: Gordon & Natarajan, Ch-17 Pg:427-433	Flipped class room	09.04.24	
40	5	SEBI & Credit Rating	Financial markets and services: Gordon & Natarajan, Ch-17 Pg:435	Flipped class room	10.04.24	

4	Different Credit Rating Agencies –CRISIL, IICRA	Financial markets and services: Gordon & Natarajan, Ch-17 Pg:427-432	T: PPT L: Observes understands	12.04.24	
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LIST OF TUTORIALS:OPTIONAL

Tutorial session no	Topics	CO-Mapping
	NA	

WEEKLY HOMEWORK ASSIGNMENTS/ PROBLEM SETS/OPEN ENDED PROBLEM-SOLVING EXERCISES etc.

Week	Assignment/Quiz	Topic	Details	CO
2	A01	Financial market	1. The regulatory body for the securities market in India is --- -----. (a) RBI (b) SEBI (c) IRDA (d) Stock exchanges 2 ----- was introduced in Jan 1986. (a) BSE SENSEX (b) S & P CNX nifty (c) BSE 200 and DOLLEX (d) none of these	CO1
4	A02	Financial services	Explain hire purchase as a method of financing	CO1
6	A03	Mutual Fund	Explain the various types of mutual fund	CO2
9	A04	Leasing	One difference between a financial lease and operating lease is that: a. there is often a call option in a financial lease. b. there is often an option to buy in an operating lease. c. an operating lease is often cancellable by the lessee. d. a financial lease is often cancellable by the lessee.	CO3
12	A05	SEBI & Credit rating	Case Study	CO4

COURSE TIME TABLE

GROUP	Lecture			
	Tuesday 11.40 AM - 12.30 PM	Wednesday 10.50 am- 11.40 am	Thursday 3.50 pm- 4.40 pm	Friday 11.40 AM - 12.30 PM

REMEDIAL CLASSES:

supplement course handout, which may perhaps include special lectures and discussions that would be planned, and schedule notified accordingly.
<http://digimat.in/nptel/courses/video/110105121/L01.html>

DELIVERY DETAILS OF CONTENT BEYOND SYLLABUS:

Content beyond syllabus covered (if any) should be delivered to all students that would be planned, and schedule notified accordingly.

S.No	Advanced Topics, Additional Reading, Research papers and any	CO	POs & PSOs	ALM	References/MOOCs
1	A digital infrastructure known as the India Stack is revolutionizing access to finance	CO3	PO3 & PSO1	Flipped Classroom	https://www.imf.org/external/pubs/ft/fandd/2021/07/india-stack-financial-access-and-digital-inclusion.htm

EVALUATION: AS PER MAKAUT GUIDELINES

Schedule for Continuous Assessment (CA):

CA	Assessment By	Schedule
CA-I	Presentation, Quiz, Group Discussion	As per Academic Calendar
CA-II	Report writing	
CA-III	Class test in pen and paper mode to be conducted at the College Level	
CA-IV	Centralized online test to be arranged by the University	
PCA1	Rubrics based Evaluation and Viva -Voce	
PCA2	Rubrics based Evaluation and Viva -Voce	

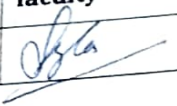
ATTENDANCE POLICY

Every student is expected to be responsible for regularity of his/her attendance in class rooms and laboratories, to appear in scheduled tests and examinations and fulfil all other tasks assigned to him/her in every course. For Promotion, a Minimum of 50% of internal marks must be obtained. In every course, student has to maintain a minimum of 75% attendance to be eligible for appearing in Semester end examination of the course, for cases of medical issues and other unavoidable circumstances the students will be condoned if their attendance is between 60% to 75% in every course, subjected to submission of medical certificates, medical case file and other needful documental proof to the concerned departments.

ATTENTION POLICY
In this course, a student has to maintain a minimum of 75% attendance and must secure a minimum of 75% marks in In-Semester Examinations to be eligible for appearing to the Semester End Examination. failing to fulfill these conditions will deem such student to have been detained in that course.

PLAGIARISM POLICY
Use of unfair means in any of the evaluation components will be dealt with strictly, and the case will be reported to the examination committee.

COURSE TEAM MEMBERS, CHAMBER CONSULTATION HOURS AND CHAMBER VENUE DETAILS:
Each instructor will specify his / her chamber consultation hours during which the student can contact him / her in his / her chamber for consultation.

S.No.	Name of Faculty	Chamber Consultation Day (s)	Chamber Consultation Timings for each day	Chamber Consultation Room No:	Signature of Course faculty
1	Santana Guha	Friday	4pm -5.30pm	R-205	

GENERAL INSTRUCTIONS


Students should come prepared for classes and carry the text book(s) or material(s) as prescribed by the Course Faculty to the class.

NOTICES

All notices will be communicated through the institution email.
All notices concerning the course will be displayed on the respective Notice Boards.

Signature of COURSE COORDINATOR: 

HEAD OF DEPARTMENT: 


19.02.29
Principal
Institute of Technology
Approval from: Head of the Institutions
(Sign with Office Seal)