

Subject Name: Financial Management & Financial Services
Subject Code 510

I The Financial System: An introduction: 3
hours

- i. Introduction
- ii. Components of the formal financial system
- iii. Functions of a financial system
- iv. Key elements in a well-functioning financial system
- v. Financial systems and Designs
- vi. Nature and role of financial intermediaries and Financial markets

II Financial Institutions: 12
hours

- i. Banking institutions
- ii. Non- Banking Financial institutions
- iii. Mutual Funds
- iv. Insurance & Housing Finance Companies

III Financial Markets 20
hours

The Money Market

- i. Money market instruments
- ii. Treasury Bills
- iii. Commercial paper
- iv. Commercial Bills
- v. Certificate of Deposits
- vi. Call/Notice Money market
- vii. Collateralized borrowing and lending (CBLO)
- viii. Money market intermediaries
- ix. Money market mutual funds
- x. Link between money market and the monetary policy in India
- xi. Money market derivatives

The Capital Market

- i. History of the Indian Capital Markets
- ii. Capital Market Scams
- iii. Reforms in the Capital Markets

The Primary market

- i. Free Pricing Regime
- ii. Book-Building – A new issue Mechanism in India
- iii. Green Shoe Option
- iv. On-line IPOs
- v. Primary issues
- vi. Non- government Public Limited Companies (Private sector)
- vii. Banks & Financial Institutions in the Public Sector
- viii. Mutual Funds
- ix. Resource mobilization from the International Capital Market

The Secondary market

- i. Post-reforms stock market scenario
- ii. Organisation, Management and Membership of stock exchanges
- iii. Listing of securities
- iv. Trading Arrangements
- v. Trading & Settlement
- vi. Internet Trading
- vii. Stock Market Index
- viii. Stock Exchanges
- ix. The Bombay Stock Exchange
- x. The National Stock Exchange of India
- xi. The Over-the-counter Exchange of India
- xii. The Inter-connected Stock Exchange of India
- xiii. Regional Stock Exchange
- xiv. Measures to Boost Liquidity in the secondary market
- xv. Trends in FII investment
- xvi. Impact of reforms on secondary market

Depositories & Custodians

- i. The Depository System
- ii. The National Securities Depositories Limited
- iii. The Central Depository Services (India)Limited
- iv. Growth of Demat accounts
- v. Custodians

The Debt Market

- i. The Private Corporate Debt Market
- ii. The Public Sector Undertaking Bond Market

- iii. The Government Securities Market

The Derivatives Market

- i. Derivatives Market in India
- ii. Forwards and Futures
- iii. Futures Trading Strategies
- iv. Options Trading Strategies

IV New Financial Instruments

(15 hours)

- i. Introduction
- ii. Need for innovations
- iii. New Instruments:
 - a. Floating Rate Bonds
 - b. Zero Interest Bonds
 - c. Deep Discount Bonds
 - d. Auction rated debentures
 - e. Secured Premium Notes
 - f. Non Convertible Debentures (NCD) with detachable Equity warrants
 - g. Secured Zero Interest Partly Convertible Debentures with detachable and Separately tradable warrants
 - h. Fully Convertible Debentures with Interest Options
 - i. Differential Shares
 - j. Securitised Paper
 - k. Collateral Debt Obligations
 - l. Inverse Float Bonds
 - m. Perpetual Bonds
 - n. Municipal Bonds

IV Financial Services – Theoretical Framework

(10 hours)

Merchant Banking – Introduction
Underwriting & Brokerage
Depositories & Custodians
Portfolio Management
Credit Rating
Factoring & Forfaiting
Leasing and Lease evaluation
Hire Purchase