

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600 086
B.Com (A & F) DEGREE: ACCOUNTING AND FINANCE

SYLLABUS
(Effective from the academic year 2015 – 2016)

FINANCIAL MARKETS AND FINANCIAL INSTITUTIONS

CODE: 15CM/MC/FI34

CREDITS : 4

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TOTAL TEACHING HOURS: 52

OBJECTIVES OF THE COURSE

- To provide students a comprehensive knowledge of the functions and elements of the financial market.
- To familiarize them with trading in the stock exchange

Unit 1

Introduction (10 hrs)

- 1.1 Definition and Overview of Financial Markets and Institutions
- 1.2 Meaning, Functions and Constituents of Financial Markets and Institutions
- 1.3 Role of Financial Institutions
- 1.4 Types of Financial Markets
- 1.5 Overview of the Indian Financial System including Financial Sector Reforms and other Contemporary Issues in Finance

Unit 2

(10 hrs)

- 2.1. Money Market
 - 2.1.1 Definition, Objectives and Features of a Developed Money Market
 - 2.1.2 Composition of Money Market
- 2.2. Money Market Instruments
- 2.3. Indian Money Market
- 2.4. Global Money Market
- 2.5. Bond Market

Unit 3

(10 hrs)

- 3.1 Capital Market
 - 3.1.1 Meaning, Characteristics and Functions of Primary and Secondary Markets
 - 3.2.1 Instruments of Issue
 - 3.2.2 Intermediaries in the New Issue Market
 - 3.2.3 SEBI Guidelines for Listed and Unlisted Companies
- 3.2 Derivatives Market- Stock Derivatives, Forex Derivatives - Futures, Forward, Swaps, Credit Derivatives.
- 3.3 Commodity Markets - Structure, Operations and Trends

Unit 4

Secondary Markets

(10 hrs)

- 4.1 Stock Exchange – Services, Role and Organization of Stock Exchange in India
- 4.2 Listing of Securities – Requirements and Procedures
- 4.3 Types of Brokers
- 4.4 Methods of trading in Stock Exchange – Carry over or Badla, Genuine Vs. Speculative Trading, Kinds of Speculators
- 4.5 Regulations and Regulatory Agencies for Primary and Secondary Markets
Stock holding Corporation of India-Share Trading

Unit 5

(12 hrs)

5.1 Financial Institutions

- 5.1.1 Depository Institutions – Commercial Banks, Investment Banks, Mutual Funds and Insurance firm
- 5.1.2 Non-depository Institutions – Types and Functions

5.2 Over-the-Counter-Exchange of India, National Stock Exchange and Depository Systems

- 5.2.1 OTCEI – Features, Promoters, Participants, Listing
- 5.2.2 NSE – Features, NSE Vs. OTCEI

5.3 Depository System – Meaning, Definition, Objectives of Interacting Institutions

- 5.3.1 Trading in Depository Systems
- 5.3.2 Depository System in India
- 5.3.3 National Securities Depository Limited

TEXT BOOKS

Avadhani, V.A., Capital Market Management, 1st edition, New Delhi, Himalaya, 2005

Gordon E., Natarajan K., Capital Market in India, New Delhi, Himalaya, 2006

Gurusamy S, Capital Markets, 1st edition, Chennai, Vijay Nicole, 2006

BOOKS FOR REFERENCE

Bhole, L.M., Financial Institutions and Markets: Structure, Growth and Innovations, McGrawHill, New Delhi, Fourth edition, 2008

Khan M. Y., Indian Financial System, New Delhi, Tata McGraw Hill, 2005

MachiRaju H.R., Indian Financial System, Mumbai, Vikas, 2006

Saunders, Anthony and Cornett, Marcia Millon, Financial Markets and Institutions: An Introduction to the Risk Management Approach, McGrawHill, Irwin, New York, 2007

Sundaram and Varshney, Banking and Financial System, New Delhi, Sultan Chand, 2005

JOURNALS

Financial Markets, Institutions & Instruments
Journal of Financial Management, Markets & Institutions
Journal of International Financial Markets, Institutions & Money

WEB RESOURCES

www.bloomberg.com
www.nse-india.com
www.rbi.org.in

PATTERN OF EVALUATION

Continuous Assessment:

Total Marks: 50 Duration: 90 Mins

Section A – Answer all Questions	7 x 2 = 14 Marks
Section B – Answer any Two Questions from a choice of Three	2 x 8 = 16 Marks
Section C – Answer any One Question from a choice of Two	1 x 20 = 20 Marks

Third Component Tests:

List of evaluation modes:

Seminars
Quiz
Group discussion
Assignments
Class Presentation

End Semester Examination:

Total Marks:100 Duration: 3 Hours

Section A – short answers (max. 30 words) - 10 x 2 = 20 Marks
Section B – Essay answers (Max.500 words) 5 x 8 = 40 Marks (From a choice of 7)
Section C – Essay answers (Max.1200 words) 2 x 20 =40 Marks (From a choice of 4)