

Jyoti Nivas College Autonomous
3.5 INDIAN FINANCIAL SYSTEM
III Semester B Com

Objectives:

1. To provide students with basic concepts and theories of Finance, its markets and various services provided in the Finance sector.
2. To provide students with the knowledge of various instruments traded in the financial markets.
3. To provide information to students about the current financial system in India.
4. To help them understand the various financial intermediaries and their importance in the financial system.
5. To familiarize students with recent changes and elements of financial markets and services

Course Outcome:

1. Students are able to analyse the financial market processes and their factors, and make successful financial decisions at an individual as well as company level.
2. Students are able to analyse different credit instruments and ownership instruments and make financial decisions regarding investments.

Unit	Content of Subject	Hours
I	Historical background: Tracing the history of Indian financial system, components of Indian financial system, constitution of Indian financial system to economic development.	8
II	Financial Institutions: Commercial Banking - Nationalization of commercial Banks, Narasimhan Committee Report, Structure of Commercial Banks in India, Functions, Asset structure of Commercial banks. Sources of funds. Investment of funds. Investment policy, NPA's. Non Banking Institutions -, SFC's SIDC's LIC, Mutual funds, EXIM Bank,	22

	- Constitution, objectives and functions.	
III	Financial Market: Money Market - Components, Characteristics of a developed money market. Functions and Instruments. Capital market - Primary & Secondary - Meaning, Objectives, Functions, Components of Capital Market, Instruments Traded, Methods of Marketing Securities, Components of primary market. Intermediaries, Stock Market, Stock Exchange, NSE, BSE, Derivatives (concepts only)	12
IV	Financial Services: Classification - Fund Based, Non Fund Based and Modern Services - Hire Purchasing - Leasing - Portfolio Management - Merchant Banking -Factoring. Debt management	6
V	Regulatory Institutions: RBI - Organisation, objectives, role and functions, monetary policy of RBI, NABARD, SEBI - Organisation and Objectives.	12

SKILL DEVELOPMENT

1. A visit to stock exchange to understand its working
2. List out the financial services rendered by non banking financial institutions
3. List the instruments traded in the financial market
4. To learn how to trade shares through dematerialized account

BOOKS FOR REFERENCE

1. M. Y. Khan - Indian financial System, Tata McGraw Hill
2. L.M. Bhole - Financial institutions & markets, Tata McGraw Hill.
3. P.N. Varshney & D.K., Mittal - India Financial Systems, Sultan Chand & Sons.

4. Shashi K. Gupta, Nisha Aggarwal, Neeti Gupta - Indian Financial System, Kalyani Publishers.
5. Gordan & K. Natarajan - Financial Markets & Services, Himalaya Publishing House.