

JYOTI NIVAS COLLEGE AUTONOMOUS

Programme: B.Com/ LSM / TM / INTEGRATED B.Com M.Com

Semester: I

INDIAN FINANCIAL SYSTEM

No. of Credits: 4

No. of Hours: 60

COURSE OBJECTIVES:

- Understand the Indian Financial System and its role in economic development.
- Learn various Financial Markets and its contribution to the Financial Services Sector
- Understand the various types of Financial Instruments and its features
- Learn the types of financial intermediaries and their role in channelizing the funds from the place of its abundance to the place of its scarcity
- Acquire the knowledge of the financial service providers and their importance in financial services sectors.

LEARNING OUTCOMES:

- Students should be able to analyse the role and functions of the Indian Financial System.
- To assess the various securities market and understand the Regulatory framework
- To be able to identify the various financial and non-financial institutions which can cater to the requirements of the prospect investors

UNIT1: INTRODUCTION TO INDIAN FINANCIAL SYSTEM

12 Hrs

Introduction – Meaning of Financial System., Features, Objectives, Components, Structure, Role of Financial System in Economic Development - SWOT of Indian Financial System – Recent trends in Financial Sector in India. Financial Regulators in India (a brief note on Regulators, RBI, SEBI, IRDAI, and PFRDAI)

UNIT2: FINANCIAL MARKETS

14 Hrs

Meaning, Structure, Importance, Functions and type of Financial Markets – Money Market – Meaning, importance and types of money market instruments - Capital Market – Meaning, importance, types of Capital Markets and types of capital market instruments – Primary Market – Meaning, importance and role of primary market in new issues market – Secondary market – meaning, features and role of stock market in stock trading, stock indices – NIFTY and SENSEX (meaning only).

UNIT3: FINANCIAL INTERMEDIARIES

14 Hrs

Meaning, importance, structure, types, functions of Financial Intermediaries in India. Banks – Meaning, Functions and role of banking – Non Banking Financial Companies – Meaning, functions and role of NBFCs. Merchant Bankers – Meaning, functions and role of Merchant banker in Primary Market – Share brokers – Meaning, functions and role of Share brokers in Stock Exchanges

UNIT 4: FINANCIAL INSTRUMENTS

10 Hrs

Meaning, importance, types of Financial Instruments- Equity Shares – Meaning and features. Preference shares – Meaning, features and types – Debentures – Meaning, feature and types – Mutual Funds – Meaning, features and types of Mutual Funds – Introduction to Derivatives.

UNIT 5: FINANCIAL SERVICES

12 Hrs

Meaning, importance, and types of Financial Services – Fund based services and Fee based services – Meaning, features and -types. Leasing, Factoring, Forfeiting, Credit Rating and Venture Capital – Meaning, Features and types

SKILL DEVELOPMENT:

- Prepare a list of Financial Regulators in India with their objectives.
- Draw the structure of Indian Financial System.
- Prepare a list of various types of Mutual Funds in India.
- Draw the chart showing the process of Factoring

BOOKS FOR REFERENCE:

- Sudhindra Bhat, Financial Institutes and Markets, Excel Books.
- Niti Bhasin; Banking and Financial Markets in India 1947 To2007; New Century.
- Khan M.Y, Indian Financial Systems, Tata McGraw Hill, New Delhi.
- E Gordon, K. Natarajan, Financial Markets and Services. Himalaya Publishing House, New Delhi
- Shashi K Gupta, Nisha Agarwal & Neethi Gupta, Financial Markets, Kalyani Publishers, New Delhi.
- Vasanth Desai, Financial Markets and Services. Himalaya Publishing House.

Note: Latest edition of text books may be used