

## SEMESTER – III: FINANCE

### Mandatory Course 1: Financial Markets and Institutions

Course Type:	PS: Program Specialisation	Course Credits:	4
Course Code:	F3PM507	Course Duration:	60 Hours

#### Course Objective:

- To provide an understanding of the structure, functions, and regulatory environment of the Indian financial system
- To differentiate and assess the role of various financial intermediaries in capital mobilization and economic growth.
- To impart practical knowledge of capital and money markets including IPOs, mutual funds, and insurance.
- To enable analysis of fixed income securities and investment products using risk-return frameworks.
- To introduce students to the basics of derivatives and their real-world financial applications.
- To provide awareness of financial innovations and technology-driven services.

#### Course Outcomes:

- CO1: Explain the structure and functioning of the Indian financial system and identify the role of regulatory bodies like SEBI, RBI, IRDAI, and PFRDA.
- CO2: Differentiate between various financial intermediaries and assess their roles in mobilizing savings and allocating capital.
- CO3: Apply knowledge of primary and secondary markets to analyze financial instruments and market mechanisms.
- CO4: Evaluate fixed income securities, mutual funds, and insurance products using yield, risk, and return concepts
- CO5: Demonstrate understanding of derivative instruments and their uses in speculation, hedging, and arbitrage
- CO6: Identify emerging trends in financial services including fintech-based innovations and policy-driven changes.

Unit/ Module	Content	CO Mapping	Hours Assigned
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1	Introduction to Financial Systems : Overview of Indian financial markets, role and importance, types of markets, instruments, exchange vs OTC markets	CO1, CO6	5
2	Regulatory Framework: Roles of SEBI, RBI, IRDAI, PFRDA; overview of regulations & monetary policy	CO1	5
3	Financial Intermediaries: Commercial banks, NBFCs, investment banks, mutual funds, insurance firms, ARCs	CO2, CO3	5
4	Capital Market Mechanism: Primary and Secondary market structure, IPO process, rights/bonus issue, private placement, market orders	CO3	5
5		CO3,CO6	5

	Market Infrastructure: Depositories, Clearing Houses, Trading Mechanisms, Role of Hedgers and Speculators		
6.	Financial Instruments : Equity, preference shares, debentures, treasury bills, CPs, CDs	CO3,CO6	4
7	Fixed Income Securities : Bond types, pricing, yields, coupon payments, zero coupon bonds	CO4	5
8	Mutual Funds and Insurance: NAV, SIPs, MF types, insurance types, ULIPs, term plans, annuities	CO4,CO6	5
9	Financial Services and FinTech: Factoring, forfaiting, fintech innovations, CBDC, regtech, robo-advisors	CO6	4
10	Derivatives Introduction: Basic derivative products – forwards, futures, options, swaps	CO5	3
11	Applications of Derivatives: Derivatives in stock, forex, commodity markets – hedging, speculation, arbitrage	CO5	4
12	Integration & Case Studies: Case-based learning on stock markets, mutual fund selection, fintech apps, market crises	CO6	5

**Text Books:**

1. Indian Financial System, Markets, Institutions & Services 6th Edition, 75 years of policy reforms, Government securities markets, banking sector, corporate bond market, insurance sector & mutual funds, Bharati V. Pathak, Pearson
2. Financial Markets and Institutions, by Frederic S. Mishkin, Stanley Eakins, Pearson
3. L M Bhole and Jitendra Mahakud, Financial Markets & Institutions.

**Reference Books**

1. Fabozzi, The Handbook of Fixed Income Securities.
2. Anthony Saunders, Financial Markets and Institutions.
3. Meir Kohn, Financial Institutions & Markets.
4. Gordon and Natrajan, Financial Markets and services
5. Jeff Madura, Financial Institutions and Markets
6. Bhole and Mahakud, Financial Institutions and Markets

