



SEMESTER: V	
COURSE NAME: FINANCIAL MARKETS, BANKING AND OTHER FINANCIAL INSTITUTIONS	
COURSE TYPE: Major (Core)	COURSE CODE: C3BC230541T
CREDIT: 4	MARKS:100
No. of Weekly Lectures: 5	
Pedagogy: Classroom lectures & Seminars	

COURSE DESCRIPTION:

The course aims to enable the learners to understand, develop, and learn the functioning of Financial Markets, Banking and Other Financial Institutions. It seeks to develop students' competence toward investment and trading in financial markets. It also helps in developing an idea about banking operations and products and services dealt in by the banks and financial institutions.

LEARNING OBJECTIVES:

Financial Markets:

LO 1: The course aims to enhance the abilities of learners to develop the concept of financial markets as a part of the Indian Financial system and its significance in business and impact on other players.

LO 2: The course further aims to enable the learners to understand, develop, and apply ideas regarding their investment objectives.

LO 3: It seeks to develop student competence in the field of understanding financial instruments/financial assets in the most suitable manner allowing the stakeholders to make informed decisions on financial matters.

Banking and other Financial Institutions:

LO 1: The course aims to enable the learners to understand, develop, and apply ideas regarding their banking activities.

LO 2: It seeks to develop student competence in the field of understanding financial services provided by a banking company most suitably.

LO 3: It also aims at enhancing the employability opportunities of students in the banking sector. A brief discussion of other financial institutions is considered desirable.

COURSE OUTCOMES:

Upon successful completion of the course the learner will be able to interpret and understand the implications of auditing and assurance in an organization.

Group A

Financial Markets:

CO 1: Understanding the structure and components of the Indian financial system, and a brief study of different types of Indian financial market

CO 2: Gaining insight into various Money Market instruments and their relevance to various investors.

CO 3: Gain an understanding of how the Indian primary market functions, including capital-raising processes, regulatory requirements, and the role of IPOs in economic growth.

CO 4: Understand the functioning of the Indian secondary market, including trading mechanisms, price determination, the role of stock exchanges in providing liquidity and the role of Depositories.

CO 5: Understand the structure and functioning of various other financial markets, such as derivatives markets, Bond markets and commodity markets, and their role in financial stability and economic development.

CO 6: Gain an understanding of different financial services, including Merchant Banking, Credit Rating



Agencies, Mutual funds and their role in supporting individuals, businesses, and the overall financial system.

DETAILED SYLLABUS:

GROUP A: FINANCIAL MARKETS (50 Marks)			
Unit No.	Unit Name	Topics	Number of Lectures
1.	A brief overview of the Indian Financial System	1.1 Introduction to Indian Financial System - Financial Regulation, Financial Institutions, Financial Markets, Financial Instruments and Financial Services 1.2 Financial Markets in India 1.2.1 Types of Instruments 1.2.2 Participants in the market 1.2.3 Regulators of the market	4
2.	Money Market	2.1 Meaning of Money market 2.2 Types of Instruments – Features 2.3 Money market mutual funds and primary dealers (overview)	3
3.	Primary Market	3.1 Organisation of Primary market 3.2 A study of public announcement 3.3 Variants of issue: Initial Public Offering, follow on Public Offering, offer for sale; Private placement, Preferential issue, Qualified Institutional Placement, Qualified institutional buyers. 3.4 Issue mechanism: Book-building Process and determination of cut off price 3.5 Green Shoe Option 3.6 Underwriting	5
4.	Overview of Indian Secondary Share market/ Stock market	4.1 Brief idea about the stock market 4.2 Concept of Exchange Traded Market 4.3 The process of trading in equities: customers, custodians, depositories, clearing and settlement process. 4.4 Understanding stock indices (overview) 4.5 Rematerialisation and Dematerialisation process Overview of cryptocurrency	6
5.	Other Financial Markets	5.1 Meaning of Derivative Market; Types of instruments (Elementary ideas) 5.2 Meaning of Commodity Market; Types of commodities (Elementary ideas) 5.3 Meaning of Bond Market; Types of Instruments	5



6.	Financial Services	6.1 Services rendered by Merchant Bank/Investment Bank. 6.2 Functions and responsibilities of Book Runner Lead Manager 6.3 Meaning of Financial intermediation 6.4 Services rendered by Investment bank [Merger and acquisition, Venture financing, non-corporate advisory services] 6.5 Operation of mutual funds 6.5.1 Organization of the mutual fund (Sponsors, Trust, Asset Management Company, Custodians) 6.5.2 Asset Under Management and Net Asset Value 6.6 6.6 Credit Rating Agencies – Role in financial markets	7
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(Special mention: Reference of the case let compatible with the relevant unit and relevant ICDR)

CO No.	Unit No.	Unit Name	Course Outcome	Key Action Verbs	Cognitive Level
CO 1	Unit 1	A brief overview of the Indian Financial System	Understand the structure and components of the Indian financial system and different types of Indian financial markets.	Describe, Interpret	Understand (K2)
CO 2	Unit 2	Money Market	Gain insight into various money market instruments and their relevance to different investors.	Classify, Explain	Understand (K2)
CO 3	Unit 3	Primary Market	Understand the functioning of the Indian primary market including capital raising processes, IPOs, and regulatory requirements.	Compare, Examine	Analyze (K3)
CO 4	Unit 4	Overview of the Indian Secondary Share/Stock Market	Understand the functioning of the Indian secondary market including trading mechanisms, stock exchanges, liquidity, and depositories.	Execute, Demonstrate	Apply (K3)
CO 5	Unit 5	Other Financial Markets	Understand the structure and functioning of derivative markets, bond markets, and commodity markets and their economic significance.	Differentiate, Examine	Analyse (K4)
CO 6	Unit 6	Financial Services	Gain understanding of financial services including merchant banking, mutual funds, credit rating agencies, and their role in financial markets.	Justify, Evaluate	Evaluate (K5)



Group B

Banking and other Financial Institutions:

CO 7: Understanding the sector and getting an overview of the same and understanding the terminologies of banking

CO 8: Understanding the process of banking services in form of lending and acting as custodian of clients

CO 9: Gain an understanding of sound lending principles, KYC policies, securitization of standard assets, Basel III norms, and RBI guidelines on capital adequacy and related concepts

CO 10: Understand the concepts of non-performing assets (NPA), the credit appraisal process, and effective strategies for credit recovery and monitoring in banking.

CO 11: Gain an understanding of bank and financial institution balance sheets and profit and loss accounts, asset-liability management, and the CAMELS model for assessing financial health.

CO 12: Understand the key provisions of the Banking Regulation Act, 1949, the role of Banking Ombudsmen, the Prevention of Money Laundering Act, 2002, the SARFAESI Act, 2002 regarding asset reconstruction, and the Insolvency and Bankruptcy Code, 2016, including the functions of the NCLT.

DETAILED SYLLABUS:

GROUP B: BANKING AND OTHER FINANCIAL INSTITUTIONS (50 Marks)			
Unit No.	Unit Name	Topics	Number of Lectures
7.	Banks and Financial Institutions: Sectoral Overview	7.1 Introduction to Banking 7.2 Financial Sector Reforms in India: Narasimham Committee Recommendations (I & II) 7.3 Types of Banks and Financial Institutions (FIs): 7.3.1 Commercial Banks - introduction, its role in project finance and working capital finance 7.3.2 Development Financial Institutions – An overview and role in the Indian economy. 7.3.3 Microfinance Institutions – Concept, features, key benefits, organization 7.3.4 Regional Rural Banks – Genesis of Regional Rural Banks, structure, and functions 7.3.5 Payment Banks (elementary idea or overview) 7.3.6 Small Finance Banks (elementary idea or overview) 7.4 Banker and customer relationship: General, special, and legal 7.5 Important terms used in Banking and FIs: Bank rate, base rate, call money, CASA, CRR, core banking, cross-selling, Digital currency, EBLR, ECS, IMPS, IFSC, MCLR, NEFT, LOU, Plastic money, PLR, RAFA, RTGS, Repo, SLR, SWIFT 7.6 Internet Banking, Cyber Security, and application of AI in banks: Mobile banking 7.7 Role of Treasury (overview)	5
8.	Financial Products and Services	8.1 Asset Products – Types of Loans and Advances 8.1.1 Corporate Loans 8.1.2 Retail Loans 8.2 Liability Products - Types of deposits 8.3 Financial Services offered by banks	4



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9.	Lending and Monitoring Process	9.1 Principles of sound lending 9.2 KYC Policy 9.3 Securitization of Standard Assets 9.4 Basel III norms 9.5 RBI guidelines (Capital Adequacy ratio and concepts related to Basel III norms)	8
10	Credit Appraisal Process	10.1 Non-Performing Assets (NPA): Definition of NPA, Provisioning of Asset Category, Reporting for NPA 10.2 Credit Appraisal Process 10.3 Credit Recovery and Monitoring	6
11.	Performance Measurement	11.1 Balance Sheet and Profit and Loss Account for the banks and FIs 11.2 Asset-Liability Management 11.3 CAMELS Model	6
12.	Banking Laws and Practice	12.1 Overview of Banking Regulation Act, 1949 (Emphasis on Section 5, 6, 8, 19, 22) 12.2 Banking Ombudsmen (Overview) 12.3 Prevention of Money Laundering Act, 2002: Offence of Money-Laundering, Obligation of Banking Companies, Financial Institutions, and Intermediaries 12.4 SARFAESI Act, 2002: Asset Reconstruction Company-Establishment, functions 12.5 Insolvency and Bankruptcy Code, 2016: NCLT, Establishment, functions	5

(The syllabus to be followed in line with the recent amendments and developments in Banking and FI sector.)

Reference Books

1. Pathak, B. V., "Indian Financial System", Pearson
2. Saha, S.S., "Indian Financial System", Mc Graw Hill
3. Bhole, L. M., "Financial Institutions and Markets", Mc Graw Hill Education
4. Machiraju, H. R., "Indian Financial System", Vikas Publishing
5. Ghosh, S., Dey, "Indian Financial System and Services", Law point Publications
6. Agarwal, O.P., "Banking and Insurance", Himalaya Publishing House
7. Ray, S & Nayak, S., "Banking and Insurance", Pearson India

**** The latest edition of the books should be referred by the students.**

Reference Websites

www.rbi.org.in

www.bis.org

www.sebi.gov.in



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CO No.	Unit No.	Unit Name	Course Outcome	Key Action Verbs	Cognitive Level
CO 7	Unit 7	Banks and Financial Institutions: Sectoral Overview	Understand the banking sector, types of banks and financial institutions, banking terminology, and banker-customer relationships.	Explain, Describe	Understand (K2)
CO 8	Unit 8	Financial Products and Services	Understand banking products and services including lending activities, deposits, and financial services offered by banks.	Interpret, Classify	Understand (K2)
CO 9	Unit 9	Lending and Monitoring Process	Gain understanding of sound lending principles, KYC policies, securitization, Basel III norms, and RBI capital adequacy guidelines.	Analyse, Attribute, Examine	Analyse (K3)
CO 10	Unit 10	Credit Appraisal Process	Understand NPAs, credit appraisal processes, and strategies for credit recovery and monitoring.	Evaluate, Justify	Evaluate (K5)
CO 11	Unit 11	Performance Measurement	Understand bank and financial institution balance sheets, asset-liability management, and CAMELS model for performance assessment.	Justify, Judge	Evaluate (K5)
CO 12	Unit 12	Banking Laws and Practice	Understand banking laws, regulatory provisions, and compliance frameworks including Banking Regulation Act, PMLA, SARFAESI, and IBC.	Critique, Justify	Evaluate (K5)