

SEMESTER IV

Optional Core – 2:

FINANCIAL SERVICES

Instructional Hours: 90

Credit: 4

Objectives: 1. To provide the students with an overall idea of financial services available in the country and to create an understanding about recent trends in financial services sector.

Module I

Introduction to Financial Services – Meaning – Types- Fund Based Financial Services- Fee Based Financial Services- Introduction to Merchant Banking Services in India- Role and Functions of Merchant Bankers (15 Hours)

Module II

Venture Capital and Securitisation - Features and Types of Venture Capital- various Stages of Venture Capital Financing- Factors affecting investment decision- Investment nurturing- Venture capital Exit strategies- Venture Capital Firms in India- Securitisation of Debt- Parties involved- Steps of 43 securitisation - Types of securitisation- Advantages- Limitations – SARFAESI Act 2002- BackgroundPurpose of the Act- Main provisions (20 Hours)

MODULE III

Leasing and Factoring– Leasing- Essentials –Types- Operating and Financial Lease- Sale and Lease back- Other classifications- Advantages and Limitations of Leasing—Leasing Vs Hire purchaseFactoring-Parties involved- Process of Factoring- Functions of a Factor- Different Forms of Factoring Services- Factoring Vs. Bill Discounting – Forfaiting- Mechanism of Forfaiting- Factoring Vs. Forfaiting (20 Hours)

MODULE IV

Credit Rating –Meaning, types of Credit Rating- Need for credit rating-Factors affecting credit ratingAdvantages and Limitations of Credit rating- Rating process and methodology Credit Rating Agencies in India. (15 Hours)

MODULE V

Mergers and Acquisition- Expansion of business firms- Internal and external expansion- forms of combinations- merger, acquisition and take over- Reasons for merger- Types of merger- Legal aspects involved- Valuation methods- Forms of financing mergers-Merger Vs Take over- Types of take overDefense strategies against hostile takeovers- Mergers in India- Recent trends in financial servicesShadow Banking -Angel Funds- Hedge funds (20 Hours)

Suggested Readings 1. Bhole, L.M., Financial Institutions and Markets: Structure, Growth and Innovations Tata Mc-Grow Hill. New Delhi: 2. Gupta, N. K., Financial Markets, Institutions and Services, Ane Books Pvt. Ltd. New Delhi 3. Khan, M.Y., Financial Services - Tata McGraw Hill New Delhi. 4. Siddaiah, T.,

Financial Services Pearson Education New Delhi. 5. VA Avadhani, Financial Services in India, Himalaya Publishing House, Mumbai 6. Yogesh, M., Investment Management, PHI Learning Pvt. Ltd. New Delhi: 7. Shashi K Gupta and Nisha Agarwal- Financial Services- Kalyani Publishers