

SYLLABUS

Core Course -9 **FINANCIAL MARKETS AND OPERATIONS**

Instructional Hours: 72

Credit: 3

***Objective:** The course is intended to familiarise the students with financial market operations in India.*

Module I

Indian Financial System- Savings and Investment – The Indian Financial System- Components – Role and Functions-Interactions among the Components- Recent Developments in the Indian Financial System- Financial Markets-Classification- Capital Market and Money Market Instruments- Indian Money Market- Role of RBI in Money Market- SEBI-Establishment-Objectives-Powers and functions.

(16 Hours)

Module II

Primary Market- Functions of New Issue Market - Methods of New Issue - IPO - FPO - ASBA- Green Shoe Option- Public Issue - Bonus Issue- Right Issue- Private Placement-Book Building - ESOP-Indian Depository Receipts - Intermediaries in the New Issue Market-Registrars to the Issue-Brokers to the Issue-Bankers to the Issue - Underwriters-Qualified Institutional Placement and Qualified Institutional Buyers- Innovative Financial Instruments. **(14 Hours)**

Module III

Secondary Market- Role and Functions of Stock Exchanges - Listing of Securities - Stock Exchanges in India - Members of the Stock Exchanges- Methods of Trading in a Stock Exchange- Online Trading- Depositories – Role - Mark to Market System - Stock Market Indices - Methodology for Calculating Index.- Type of Speculators- Speculative Transactions in Stock Exchanges - Insider trading – SEBI regulations- Foreign Institutional Investors in Securities market- Foreign Portfolio Investment- Private Equity. **(18 Hours)**

Module IV

Mutual Funds -Meaning- Objectives- Advantages - Classification of Mutual Funds- Exchange Traded Fund- Constitution and Management of Mutual Funds in India- AMFI- Concept of Net Asset Value – Advantages and limitations of Mutual Funds. **(12 Hours)**

Module V

Derivatives (Brief study only)- Features of Derivatives -Types of Derivatives- Forwards – Futures- Options-Swaps- Commodity Futures – Major Commodity Exchanges in India. **(12 Hours)**