

SYLLABUS

SEMESTER IV

Optional Core – 2: **FINANCIAL SERVICES**

Instructional Hours: 90 Credit: 4

Objectives:

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 securitisation - Types of securitisation- Advantages- Limitations – SARFAESI Act 2002- Background- Purpose 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 purchase- Factoring-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 rating- Advantages 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 over- Defense strategies against hostile takeovers- Mergers in India- Recent trends in financial services- Shadow Banking -Angel Funds- Hedge funds. (20 Hours)