

Department of Commerce
University of Delhi

Course: B.Com.(Hons.)
Semester: V
Subject: Financial Markets, Institutions and Financial Services
Paper No.: BCH 5.4 (C)

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A meeting of Teachers of Commerce Departments of different colleges of University of Delhi was held in the S.G.N.D Khalsa College, University of Delhi on 3rd August, 2017 (Thursday) at 1:30 P.M to frame the Guidelines for the B.Com. (Hons.) Paper No. BCH 5.4 (c) DSE Group Semester V: Financial Markets, Institutions, and Financial Services (FMIFS).

Detailed guidelines for the Paper decided in the meeting are as under.

The **weightage suggested for different units of the paper for the end Semester Exam** is as follows:

S. No.	Unit No.	Marks (Out of 75)	Questions (Out of 5)
1	I	7.5	0.5
2	II	22.5	1.5
3	III	22.5	1.5
4	IV	7.5	0.5
5	V	15	1
	Total	75 Marks	5 Questions

Detailed Guidelines for Coverage of Topics in the Syllabus

Unit I

I. 1. An Introduction to Financial System, its Components – Financial Markets, and Institutions. Financial Intermediation.

Coverage: Concept, Functions, and Components/Structure/Classification of Financial System.

I. 2. Flow of Funds (FOF) Matrix.

Coverage: Concept, Significance of Flow of Funds Accounts, and Flow of Funds Matrix. No Data in this topic.

I. 3. Financial System and Economic Development.

Coverage: Financial System and Economic Development.

I. 4. An Overview of Indian Financial System.

Coverage: An Overview of Indian Financial System after 1951 – Till Present.

Unit-II: Financial Markets

II. 1 Money Market - Functions

Coverage: Functions of Money Market

II. 2 Money Market - Organisation

Coverage: Organisation of Money Market, Dealers (Primary Dealers Vs. Money Market Mutual Fund Dealers).

II. 3. Money Market - Instruments

Coverage: Instruments of Money Market-Certificate of Deposits, T-Bills, Commercial Papers.

II. 4. Role of Central Bank in Money Market.

Coverage: Role of Central Bank (RBI) in Money Market. LAF, MSF, Repo, and Reverse Repo to be Covered Briefly.

II. 5. Indian Money Market – An Overview.

Coverage: An Overview of Indian Money Market.

II. 6. Capital Markets – Functions.

Coverage: Functions of Capital Markets

II. 7. Capital Markets – Organization.

Coverage: Organization of Capital Markets

II. 8. Capital Markets – Instruments (Future and Options).

Coverage: Instruments of Capital Markets excluding Mathematical Calculations and Derivatives (Very Briefly).

II. 9. Indian Debt Market

Coverage: Functions; Components (Corporate Debt Market, PSU Market, and Government Securities Market); Significance, Structure, Participants, and Instruments of Indian Debt Market.

II. 10. Indian Equity Market – Primary Market (All Sub Topics to be discussed very briefly).

Coverage: Methods of Capital Issue in New Issues Market – Initial Public Offer (IPO), Right Issue, Follow on Public Offer (FPO), Private Placement, Qualified Institutional Placement (QIP), Offer For Sale (OFS). Indian Depository Receipt (IDR), American Depository Receipt (ADR), and Global Depository Receipt (GDR).

II. 11. Indian Equity Market – Secondary Market

Coverage: Functions/Role of Stock Exchanges in India.

Unit-III: Financial Institutions

III. 1. Commercial Banking

Coverage: Classification/Types of Banks, Functions/Role of Commercial Banks, Lending by Commercial Banks, Recent Developments.

III. 2. Life and Non-Life Insurance Organizations in India.

Coverage: Insurance Regulatory and Development Authority (IRDA) – Duties, Powers, and Functions; Life Insurance Corporation of India (LIC) – Overview, Objectives, and Role; General Insurance Corporation of India (GIC) – Overview, Objectives, and Functions.

III. 3. Mutual Funds - Introduction and their Role in Capital Market Development.

Coverage: Concept, Benefits, and Role/Functions of Mutual Funds. Role of SEBI in Mutual Funds. Types of Mutual Fund Schemes (Open Ended Vs Close Ended; Debt, Equity, Hybrid Schemes, and Sectoral funds).

Difference in Depository and non Depository Institutions, Brief about Financial inclusion.

III. 4. Non Banking Financial Companies (NBFCs).

Coverage: Concept/Overview and Classification/Types of NBFCs.

Unit-IV

IV. 1. Overview of Financial Services Industry.

Coverage: Introduction/Concept of Financial Services, and Types of Financial Services. Focus on fee based financial services only.

IV. 2. Merchant Banking – Pre and Post Issue Management, Underwriting. Regulatory Framework relating to Merchant Banking in India.

Coverage: Merchant Banking – Concept, Services, Pre and Post Issue Management, Underwriting: role and purpose of Underwriting. Regulatory Framework relating to Merchant Banking in India.

Unit-V

Note: Regulatory Framework of all of the following Financial Services has to be Excluded.

V. 1. Leasing

Coverage: Concepts and Types (Operating Lease Vs Financial Lease Only) of Leasing.

V. 2. Hire Purchase

Coverage: Concept, Difference between Hire Purchase and Instalments, Difference between Hire Purchase and Leasing.

V. 3. Consumer Finance

Coverage: Concept and Types of Consumer Finance/Credit.

V. 4. Housing Finance

Coverage: Concept and National Housing Bank (briefly).

V. 5. Venture Capital Finance

Coverage: Concept, Features, and Types of Venture Capital Finance. Concept of private Equity.

V. 6. Factoring Services

Coverage: Concept, Functions, and Types of Factoring.

V. 7. Credit Rating

Coverage: Concept and Importance of Credit Rating. Factors Considered in Credit Rating.

V.8 Financial Counselling

Coverage: Concept and Features of financial counselling. Financial literacy in India, RBI's initiatives on financial counselling.

V.9. Portfolio Management Services

Coverage: Concept and Importance of Portfolio Management Services. Guidelines of SEBI for PMS schemes in India.