

- Management of Banking and Financial Services, Padmalatha Suresh and Justin Paul, Second edition, Pearson, 2011
- Banking Theory and Practice, K.C. Shekhar and LekshmyShekhar, Vikas Publishing House, 2011.
- Modern Banking: Theory and Practice, Muraleedharan D, PHI, 2013.

#### REFERENCE BOOKS:

- Banking Theory, Law and practice - Sunderaram and Varshney, Sultan Chand & Sons, New Delhi.
- Banking and Financial System - Prasad K, Nirmala, Chandradas J. Himalaya Publishing House, Mumbai.
- Banking and Financial services- Sharma, Mukund, 1<sup>st</sup> edition, Himalaya Publishing House, Mumbai.

### INVESTMENT BANKING AND FINANCIAL SERVICES

Subject Code	: 16MBA FM302	IA Marks: 20
Number of Lecture Hours/Week	: 03	Exam Hours: 03
Number of Lecture Hours	: 56	Exam Marks: 80
Practical Component	: 02 Hours/ Week	

#### Course Objectives:

- To provide an understanding of the functioning of investment banking
- To explain the role of depositories and custodians
- To provide an in depth understanding of the financial services like factoring, venture capital, leasing and hire purchase.
- To familiarize the students with working of Housing finance and non banking finance companies
- To explain the concept and developments in micro finance, credit rating and securitization

#### Course Outcome:

At the end of the course, the students are able to:-

- Understand the functioning of Investment banking
- Be aware of operation connected with depositories and custodians
- Know how financial services like factoring, venture capital, leasing and hire purchase are provided in the financial system.
- Understand the working of Housing finance and non-banking finance companies.
- Identify the developments happening in micro finance, credit rating and securitization system.

#### Unit 1:

(10 Hours)

**Investment Banking-** Introduction-Functions of Investment Banks- Types of Investment Banks- Investment Banking Services- Merchant Banking Services-Issue Management-Pre issue and Post

issue obligations-Changing landscape of Investment Banking. Regulation of the Capital Market-SEBI regulations for merchant bankers, brokers and sub brokers, intermediaries and portfolio managers.

**Underwriting:** Concept – Devolvement - Business model - Underwriting in fixed price offers and book built offers.

**Unit 2: (9 Hours)**

**Depository System:** Objectives, activities, interacting systems, role of depositories and their services, Advantages of depository system -NSDL and CDSL. The process of clearing and settlement through Depositories, Depository Participants.

Regulations relating to Depositories-SEBI (Depositories and Participants) Regulations 1996-Registration of depository and participant- Rights and Obligations of depositories and Participants.

**Unit 3: (7 Hours)**

**Housing Finance:** Role, Types of housing loans, Institutions and banks offering Housing Finance, Procedure and Interest rates. Income Tax Implication. Reverse mortgage loan.

**Non-Banking Finance Companies:** Types, Growth, Functions, RBI Guidelines, Prudential Norms.

**Unit 4: (9 Hours)**

**Factoring:** Origin, Types, Factoring mechanism, advantages, factoring charges, International factoring, Factoring in India. **Forfeiting:** Origin, characteristics, benefits, difference between factoring and forfeiting, growth of forfeiting in India. **Securitization of debt:** Meaning, Features, Special Purpose Vehicle, Types of securitisable assets, Benefits of Securitization, Issues in Securitization.

**Unit 5: (9 Hours)**

**Venture Capital:** Concept, features, Origin and the current Indian Scenario. Private equity-Investment banking perspectives in private equity

**Microfinance:** The paradigm - NGOs and SHGs - Microfinance delivery mechanisms – Future of micro finance.

**Credit rating:** Definition and meaning, Process of credit rating of financial instruments, Rating methodology, Rating agencies, Rating symbols of different companies. Rating agencies for SMEs.

**Unit 6: (12 Hours)**

**Leasing:** Concept, Steps in Leasing Transactions, Types of Lease, Legal frameworks, Advantages and disadvantages of Leasing, Contents of a Lease Agreement, Matters on Depreciation and Tax, Problems in leasing, Factors influencing Buy or Borrow or Lease Decision.

**Hire Purchasing:** Concepts and features, Hire Purchase Agreement, Comparison of Hire Purchase with Credit sale, Instalment sale and Leasing. Banks and Hire Purchase. Problems related to outright purchase, Hire purchase and Leasing.

**(Question Paper: Case study-Problem on financial evaluation of leasing and hire purchase.)**

**Practical Components:**

- Students can study the procedure for the sanction of housing loans by a bank
- Students can study the Procedure to open a Demat account and an Online Trading Account.
- Students can visit a NBFC and study their operations
- Students may visit a SHG/NGO and study the micro finance aspects
- Visit a bank/financial institution providing factoring service and submit a report.

**RECOMMENDED BOOKS:**

- Indian Financial System—Khan M. Y, 7/e, TMH, 2011
- Indian Financial System – Machiraju, 4/e, Vikas, 2010
- Financial Markets and Services – Gordon & Natarajan, 7/e, Himalaya publishing, 2011.
- Financial services - Khan M.Y, 6/e, McGraw Hill, 2011.
- Banking and Financial services- Sharma, Mukund, 1/e edition, Himalaya Publishing House, Mumbai.

**REFERENCE BOOKS:**

- Dynamics of Financial Markets and Institutions in India – Srivastava R. M, Excel Books, 2010.
- Indian Financial System – Bharati V. Pathak, 3/e, Pearson Education, 2011.
- Investment Banking- Pratap G Subramanyam, Tata McGraw Hill, 2012.
- Merchant Banking & Financial services - Vij&Dhavan, 1/e, McGraw Hill, 2011.

**INVESTMENT MANAGEMENT**

Subject Code	: 16MBA FM303	IA Marks: 20
Number of Lecture Hours/Week	: 03	Exam Hours: 03
Number of Lecture Hours	: 56	Exam Marks: 80
Practical Component	: 02 Hours/ Week	

**Objectives:**

- To develop a thorough understanding of the process of investments.
- To familiarize the students with the stock markets in India and abroad.
- To provide conceptual insights into the valuation of securities.
- To provide insight about the relationship of the risk and return and how risk should be measured to bring about a return according to the expectations of the investors.
- To familiarize the students with the fundamental and technical analysis of the diverse investment avenues
- To learn the Theories of Portfolio management and also the tools and techniques for efficient portfolio management.

**Course Outcome:**