

## SEMESTER III (FINANCE SPECIALISATION) BANKING & FINANCIAL SERVICES

Semester	III	CIE Marks	: 40
Course Code	18MBAFM301	SEE Marks	: 60
Teaching Hours / week (L:T:P)	3-0-2	Exam Hours	: 03
Credits : 04			

### Course Objectives:

1. To understand the structure and functions of central and Commercial banking in India.
2. To learn the functions of various financial services in India.

### Unit 1:

**Structure of Banking in India:** Functions of RBI, structure and functions of commercial banks. Monetary system, Sources of funds, Quantitative and qualitative measures of credit control. Banking sector reforms, Bank performance analysis and Future of Banking.(Theory)

### Unit 2:

**Commercial banking:** Structure, Functions - Primary & secondary function, Role of commercial banks in socio economic development, Services rendered. Banking Technology- Concept of Universal Banking-Home banking-ATMs-Internet banking- Mobile banking-Core banking solutions-Debit, Credit and Smart cards- Electronic Payment systems-MICR- Cheque Truncation-ECS- EFT – NEFT-RTGS. (Theory)

### Unit 3:

**Merchant Banking:** Categories, Services offered, Issue management – Post and Pre issue management, Issue pricing, preparation of prospectus, Issue Management, Underwriting, Private Placement, Book Building Vs Fixed price issues.(Theory)

### Unit 4:

NBFCs an Overview -Types of NBFCs in India. Regulatory framework. Micro finance-Models, services, challenges. Leasing & Hire Purchase: Concept, Types, Evaluation.Problems in Evaluation of Leasing & Hire Purchase. (Theory& Problems)

### Unit 5:

**Credit rating:** Meaning, process of credit rating, rating methodology, rating agencies and symbols.

**Venture capital:** concept, features, process. Stages, Performance of Venture capital funded companies in India.(Theory)

### Unit 6

**Mutual Funds:** Structure, Functions, Types of Funds, Performance of Mutual Funds, Regulations. Depository system: objectives, activities, NSDL& CDSL. The process of clearing and settlement. Factoring & Forfeiting: Definition, functions, types. Securitization: Meaning, process, Types, Benefits. (Theory)

**Question Paper:** 90% Theory, 10% Problems (Leasing and hire purchase).

### PRACTICAL COMPONENTS:

1. Study and compare the performance of Public and private sector banks.
2. Issue management: Study the recent public issues.
3. Factoring and forfeiting business in India.
4. Venture capital funding and start up challenges.
5. Status of securitization in India.

### COURSE OUTCOME:

1. The Student will be acquainted to various Banking and Non-Banking financial services in India.
2. The Student will understand the activities of Merchant Banking and credit rating.
3. The Student will be equipped to understand micro financing and other financial services in India.
4. The Student will understand how to evaluate and compare leasing & hire purchase.

### RECOMMENDED BOOKS

- Financial services – Khan M Y, 6/e, McGraw Hill.
- Banking and Financial Services- Mukund Sharma, Himalaya publishing, 2015.
- Management of Banking and Financial services- Padmalatha& Justin Paul, Pearson.

### REFERENCE BOOKS

1. Financial Markets and Services – Gordon & Natarajan, 7/e, Himalaya publishing, 2011.

2. Merchant Banking & Financial services- Vij & Dhavan, 1/e, McGraw Hill, 2011.
3. Investment Banking- Pratap G Subramanyam, Tata McGraw Hill, 2012.

#### CO-PO MAPPING

CO	PO				
	PO1	PO2	PO3	PO4	PO5
CO1	X				
CO2	X			X	
CO3	X				X
CO4	X			X	

## INVESTMENT MANAGEMENT

Semester	III	CIE Marks	: 40
Course Code	18MBAFM302	SEE Marks	: 60
Teaching Hours / week (L:T:P)	3-0-2	Exam Hours	: 03
Credits : 04			

### Course Objectives:

1. To understand the capital market and various instruments for investment.
2. To learn valuation of equity, debt and mutual funds.
3. To learn the theories of portfolio management.

### Unit 1:

**Investment:** Attributes, Economic vs. Financial Investment, Investment and speculation, Features of a good investment, Investment Process. Financial Instruments: Money Market Instruments, Capital Market Instruments, Derivatives.

**Securities Market:** Primary Market, Secondary Market. Stock Market Indicators- Types of stock market Indices, Indices of Indian Stock Exchanges (only Theory).

### Unit 2:

**Risk and Return Concepts:** Concept of Risk, Types of Risk- Systematic risk, Unsystematic risk, Calculation of Risk and returns individual security, Portfolio Risk and Return (Theory & Problems).

### Unit 3:

**Valuation of securities:** Bond- Bond features, Types of Bonds, Determinants of interest rates, Bond Management Strategies, Bond Valuation, Bond Duration. Preference Shares- Concept, Features, Yields. Equity shares- Concept, Valuation, Dividend Valuation models. (Theory & Problems).

### Unit 4:

**Macro-Economic and Industry Analysis:** Fundamental analysis-EIC Frame Work, Industry Analysis. Company Analysis- Financial Statement Analysis, Ratio Analysis. Technical Analysis – Concept, Theories- Dow Theory, Elliot wave theory. Charts-Types, Trend and Trend Reversal Patterns. Mathematical Indicators –Moving averages, ROC, RSI, Market Indicators. (Theory only).