

Course Name: Indian Financial System

Course Code-MS 402

Course Credits: 6

Course Objective: This course aims at providing the students the intricacies of Indian financial system for better financial decision making.

Block I Structure of Indian Financial System

Unit I Financial System: An Introduction

Financial System: Meaning, Characteristics, Significance and Components

Unit II Evolution of Financial System in India

Unit III Structure of Indian Financial System

Structure of Indian Financial System- Main functions of these constituents and respective roles

Unit IV Money Markets

Money Markets: Functions, Players and Instruments in Money Market.

Unit V Money Market Organisation

Structure and Developments

Block II Regulators of Financial System

Unit VI Regulations in Financial System

Role and need of Regulations in Financial System-RBI, SEBI and IRDA

Unit VII Financial Markets

Financial Markets: Functions and Organisation

Unit VIII Primary Market

Primary Market: Activities, Intermediaries and Functions

Unit IX Secondary Market

Secondary Market: Functions, Instruments and Mechanism,

Unit X Stock Exchanges in India

Stock Exchanges in India- Objectives, Functions and significance of stock Exchanges, Working of Stock Exchange in India.

Block III Financial Intermediaries

Unit XI Role of Financial Intermediaries

Role of financial intermediaries in capital market.

Unit XII Reserve Bank of India

Reserve Bank of India: Organisation, Management, Role & functions., Credit Control.

Unit XIII Commercial Banks

Commercial Banks: Evolution, Management and Organizational setup, Assets & Liabilities, Theories of Liquidity Management, Management of Primary & Secondary Reserve, Management of Loans.

Unit XIV Development Banks

Development Banks in India: Types, functions, growth, structure & working of Development Banks.

Unit XV Non-Banking Financial Companies

Importance, Scope, Characteristics, Functions, Types, Regulations, MBFCs

Unit XVI Regional Rural Banks

Objectives, Features, RBI Assistance, Evaluation, Major RRBs

Unit XVII Insurance Organisations

Importance, Rationale, Types, Major Players, Important Regulations

Block IV Financial Instruments/Assets

Unit XVIII Financial Instruments

Shares, Mutual Funds, Debentures, Bonds, Derivatives, Money Market Instruments, Hedging Instruments and Others

Unit XIX Derivatives

Introduction to Options and Futures, Explanation of Market Terminologies, Pay-off Structure, Basic Trading Strategies, Weekly Options. Membership Requirements, Clearing and Settlement Procedure, Risk Management

Unit XX Foreign Capital

FDI and FII- Concept, Importance, Guidelines

Unit XXI International Operations in the Securities Market

International Strategies for Investments, Trading, ECB

Unit XXII Indian Financial Sector Reforms: A Corporate Perspective

Impact on Financial Sector Guidelines and Reforms on Companies, Stock Exchanges, etc

Unit XXIII Current Developments in the Indian Financial System

Current developments in the Indian Financial system/Financial Sector developments and Latest Financial Instruments

Suggested Readings:

1. Machiraju, 'Indian Financial System' – Vikas Publishing House, 2nd Edition, 2002.
2. Varshney P.N., & Mittal D.K., 'Indian Financial System', Sultan Chand & Sons, New Delhi. 2002.
3. Verma J.C., 'Venture Capital Financing in India', Sage, New Delhi, 1997.
4. Sadhale H., 'Mutual Funds in India', Sage, New Delhi, 1997.