

# FINANCIAL MARKETS & SERVICES

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# **SYLLABUS**

# PART A: FINANCIAL MARKETS

# THE FINANCIAL SYSTEM IN INDIA:

Functions of the Financial System – Financial Concepts – Financial Assets – Financial Intermediaries – Financial Markets – Importance of Capital Market – Money Market – Foreign Exchange Market – Financial Rates of Return – Financial Instruments – Development of Financial System in India – Financial Markets Regulation Department (FMRD) — Financial System and Economic Development – Weaknesses of Indian Financial System.

# MONEY MARKET:

Definition – Money Market vs. Capital Market – Features of a Money Market – Characteristic Features of a Developed Money Market – Importance of Money Market – Composition of Money Market – Call Money Market – Commercial Bills Market or Discount Market – Bill Market Scheme – Treasury Bill Market – Money Market Instruments – Commercial Papers – Certificate of Deposit (CD) – Inter-bank Participation Certificate – Repo Instruments – Structure of Indian Money Market – Features or Deficiencies of Indian Money Market – Recent Developments – Discount and Finance House of India (DFHI).

# **NEW ISSUE MARKET:**

Meaning – Stock Exchange – Distinction between New Issue Market and Stock Exchange – Relationship between New Issue Market and Stock Exchange – Functions of New Issue Market – Methods of Floating New Issues – General Guidelines for New Issue – Principal Steps of Private Placement – Principal Steps Involved in the Case of Offer-for Sale – SEBI's Guidelines for IPOs – Instruments of Issue – Players in the New Issue Market – Recent Trends in New Issue Market – Advantages of Primary Market.

# SECONDARY MARKET:

Introduction – Functions/Services of Stock Exchanges – Recognition of Stock Exchanges – Procedure – Organisation of Stock Exchanges in India – Listing of Securities – Listing Procedure – Registration of Stock Brokers – Functions of Brokers – Registration of Sub-brokers – Kinds of Brokers and their Assistants – Methods of Trading in a Stock Exchange – Current Settlement Procedure of Trading Transactions – Online Trading – BSE-BOLT System.

# SECURITIES AND EXCHANGE BOARD OF INDIA:

Controller of Capital Issues (CCI) – Securities Contracts (Regulations) Act – Malpractices in Securities Market – Deficiencies in the Market – Securities and Exchange Board of India (SEBI) – SEBI Guidelines – Prohibition of Unfair Trade Practices – Recent Guidelines.

# **INVESTORS' PROTECTION:**

Need for Investors' Protection – Factors Affecting Investors' Interest – Investors' Protection Measures.

OTCET, NSE AND STORE OF India (OTCEI) - Trading in OTC Exchange - National Stock Over The Counter Exchange of India (OTCEI) - Trading in OTC Exchange - National Stock Over The Counter Exchange (BSE). Exchange (NSE) of India - Bombay Stock Exchange (BSE).

Definition and Meaning - Objectives of a Depository - Activities of the Depository - Interacting Definition and Meaning - Objectives of a Depository System - Depositories in a Depositories of a Depositories of a Depositories of the Depository - Interacting Definition and Meaning - Objectives of a Depository - Activities of the Depository - Interacting Depositories of the Depository - Interacting Depositories of the Depository - Depositories of the Depositories of the Depository - Depositories of the Depositor Definition and Meaning - Objectives of a Depository - Activities of the Depository - Interacting Institutions - Depository Process - Trading in a Depository System - Depositories and Participanthe Institutions - Depository System in India - SEBI (Depositories and Participanthe Definition and offensitory Process - Trading in a Depository System in India - SEBI (Depositories and Participants) International Market - Depository System in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository System - National Market - Depository Process in India - Benefits of Depository Process - Depository - Deposito Institutions — Market — Depository System in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository System — National Regulation Act, 1995 — Depository Process in India — Benefits of Depository International Regulation Act, 1996 - Depository Process in India - Benefits of Depository Process in India - Benefits of Depository Ltd. (CDSL) - Drawbacks Securities Depository Ltd. (NSDL) - Central Depository Services (India) Ltd. (CDSL) - Drawbacks - Remedial Measures.

# PART B: FINANCIAL SERVICES

# FINANCIAL SERVICES:

Meaning, Scope and Innovations - Meaning of Financial Services - Features of Financial Services

Meaning, Scope and Innovations - Meaning of Financial Service Industry - Scope Meaning, Scope and Innovations - Classification of Financial Services Industry - Scope Meaning, Services - Classification of Financial Services - Features of Financial Services Meaning, Scope and Innovations - Meaning of Financial Services | Services | Services | Meaning, Scope and Innovations - Meaning of Financial Services | Scope of - Importance of Financial Services - Classification of Financial Services and Promotion of Financial Services | Se - Importance of Financial Services - Classification of Financial Services and Promotion of Financial Services - Causes for Financial Innovation - Financial Services - Innovative Financial Instrument of Financial Products and Services - Innovative Financial Instrument Financial Services - Causes for Financial Innovation - Innovative Financial Instruments

Industries - New Financial Products and Services - Innovative Financial Instruments

Challenges Facing the Financial Service Sector - B Industries - New Financial Products and Services - Industries - New Financial Products and Services - Industries - New Financial Products and Services - Industries - Industries - New Financial Products and Services - Industries - Industries - Industries - New Financial Products and Services - Industries Scenario.

# MERCHANT BANKING:

Introduction - Definition - Origin - Merchant Banking in India - Merchant Banks and Commercial

Merchant Bankers as Lead Managers - Qualities Posterial Introduction – Definition – Origin – Merchant Banking in India

Ba Banks – Services of Merchant Banks – Merchant Bankers – Merchant Bankers – Commission – for Merchant Bankers – Guidelines for Merchant Bankers – Guidelines for Merchant Banking in Land for Merchant Bankers – Guidelines for Merchant Bankers – Progress of Merchant Banking in India

Merchant Bankers in the Market-making Process – Progress of Merchant Banking in India Problems of Merchant Bankers - Scope for Merchant Banking in India.

# HIRE PURCHASE:

Features of Hire Purchase Agreement - Legal Position - Hire Purchase Agreement - Hire Purchase Features of Hire Purchase Agreement - Legal 1 ostilon and Credit Sale - Hire Purchase and Leasing - Origin and Credit Sale - Hire Purchase and Instalment Sale - Hire Purchase Development – Banks and Hire Purchase Business – Bank Credit for Hire Purchase Business.

# LEASING:

Concept of Leasing - Steps Involved in Leasing Transaction - Types of Lease - Instalment Buying, Concept of Leasing – Steps involved in Leasing Transaction 25 to 2 Development of Leasing - Legal Aspects of Leasing - Sales Tax Provisions Pertaining to Leasing - Accounting Tax Provisions Relating to Leasing - Sales Tax Provisions Pertaining to Leasing - Accounting Treatment of Lease - Method of Ascertaining Lease Rentals - Other Factors Influencing Buy/Borrow or Lease Decision – Structure of Leasing Industry – Problems of Leasing – Prospects.

# **VENTURE CAPITAL:**

Concept of Venture Capital – Features of Venture Capital – Scope of Venture Capital – Importance of Venture Capital – Origin – Initiative in India – Guidelines – The Indian Scenario – Present Position – Suggestions for the Growth of Venture Capital Funds – Nitin Desai Committee's Recommendations.

# **MUTUAL FUNDS:**

Introduction — Scope of Mutual Fund — Definition — Origin of the Fund — Types of Funds/Classification of Funds — Importance of Mutual Funds — Risks — Organisation of the Fund — Operation of the Fund — Facilities Available to Investors — Net Asset Value — Performance Evaluation of Mutual Funds — Sharpe's Model for Evaluation — Treynor's Model for Evaluation — Jenson Model — Other Parameters of Performance — Investor's Rights — General Guidelines — Selection of a Fund — Commercial Banks and Mutual Funds — Mutual Funds Abroad — Mutual Funds in India — Reasons for Slow Growth — Future of Mutual Fund Industry.

# **DISCOUNTING, FACTORING AND FORFAITING:**

Introduction – Discounting – Factoring – Meaning – Definition – Modus Operandi – Terms and Conditions – Functions – Types of Factoring – Factoring vs. Discounting – Cost of Factoring – Costing and Pricing Technique – Benefits – Factoring in India – International Factoring – Factoring in Other Countries – Accounting Treatment in the Books of Factor and Firm – Edifactoring – Forfaiting – Working of Forfaiting – Benefits of Forfaiting – Forfaiting in India.

# CONTENTS

SR. NO.	UNIT NAME	PAGE NO.
*	PART A: FINANCIAL MARKETS	1
1	THE FINANCIAL SYSTEM IN INDIA	2
2	MONEY MARKET	20
3	NEW ISSUE MARKET	33
4	SECONDARY MARKET	44
5	SECURITIES AND EXCHANGE BOARD OF INDIA	53
6	INVESTORS' PROTECTION	60
7	OTCET, NSE AND BSE	65
8	DEPOSITORY SYSTEM	70
*	PART B: FINANCIAL SERVICES	.81
9	FINANCIAL SERVICES	82
10	MERCHANT BANKING	96
- 11	HIRE PURCHASE	111
12	LEASING	123
13	VENTURE CAPITAL	136
14	MUTUAL FUNDS	148
15	DISCOUNTING, FACTORING AND FORFAITING	176

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