

## 20 BA341: FINANCIAL INSTITUTIONS & MARKETS

Course Code	<b>20BA341</b>	Course Delivery Method	Class Room / Blended Mode
Credits	<b>4</b>	CIA Marks	30
No. of Lecture Hours / Week	05	Semester End Exam Marks	70
Total Number of Lecture Hours	75	Total Marks	100
Year of Introduction :1987	Year of Offering :2017	Year of Revision :2019	Percentage of Revision :10%

**Course Objectives:** Evaluate empirical evidence of market performance, and contrast it with theories of market performance. Research and analyze specific problems or issues related to financial markets and institutions. Exploring the international integration of international financial markets and analyzes the implications for financial managers.

### Course Outcomes:

- CO-1 To familiarize with the Indian financial system through knowing the types of various financial institutions, instruments and financial markets.
- CO-2 To understand the various constituents of capital markets, functioning of capital markets and regulatory mechanisms associated with capital markets.
- CO-3 To understand the various types of Financial Services and to appreciate the role of financial services in economic development.
- CO-4 To understand the various types of Non-Banking Financial Companies (NBFCs) and to appreciate the role of financial services in economic development.
- CO-5 To know various legislations relating with financial sector and the recommendations of various committees suggesting financial reforms.

## COURSE CONTENT

### Unit I

**Financial System:** An Overview of Indian Financial System, Constituents of Indian Financial System, Role and Functions of Participants in the Financial Markets, Factors Impacting the dynamics of Financial System(**Theory**). **(15Hours)**

### Unit II

**Financial Institutions:** Indian Banking System, An Overview, Recent Developments, Banking Institutions, Classification of Banks; Role of Reserve Bank of India; NABARD; Regulatory issues of banking institutions;-Banking Financial Institutions, Role of NBFCs in economic development, Types of NBFCs , Regulatory framework of NBFCs. (**Theory**) **(20 Hours)**

### **Unit III**

**International Financial Institutions:** Overview of Global Financial Institutions Role of International Bank for Reconstruction and Development (IBRD); International Monetary Fund (IMF), Asian Development Bank (ADB), European Central Bank (ECB), Bank for International Settlements (BIS), New Development Bank (NDB) formerly referred to as the BRICS Development Bank. **(Theory)** **(20 Hours)**

### **Unit - IV**

**Financial Markets I:** Capital Market, Evolution and development of Capital Market, Future Trends, Components of Capital Markets, Primary Market and Secondary Market, Equity and Debt Market, Domestic Institutions and foreign Institutions; Role of Stock Exchanges, Depositories, Regulatory Framework: Role of SEBI, RBI, Ministry of Finance and IRDA. **(Theory)** **(20 Hours)**

### **Unit - V**

**Financial Markets II:** Money Market, Importance, Composition and Constituents, Instruments of Money Markets; Commodity Markets, Structure, Operations and Trends; Derivatives Market, Structure, Operations and Trends; Foreign Exchange Market, Structure, Operations and Trends. **(Theory)** **(15Hours)**

### **Practical Component:**

- Students are asked to examine the financial system in any two product and service oriented companies and present brief report on the same in seminar periods.
- The class will be divided into small groups (consisting of 6 students). The groups are to discuss and present their views on variety of financial instruments used in corporate sector.
- Students are asked to identify any three financial markets and financial intermediaries in their region/locality; compare and contrast the role of and functions of organized financial markets and financial intermediaries.

### **Reference Books:**

1. Avadhani V A – “Marketing of Financial Services” 3<sup>rd</sup> revised edition 2019– Himalaya Publishing House – Mumbai.
2. Bharti V Pathk– “The Indian Financial System” 3<sup>rd</sup> edition 2010 – Pearson Education – New Delhi.
3. L M Bhole and Jithendra Mahakud– “Financial Institution and Markets” 5<sup>th</sup> edition 2009 – TMH – New Delhi.
4. Dr R. Shanmugham - Financial Services 2<sup>nd</sup> edition 2017 - Wiley.

5. Shashi K. Gupta, Nisha Aggarwal, Neeti Gupta - Financial Institution and Markets 3<sup>rd</sup> edition, 2015 Kalyani Publishers

**Course Focus:** Foundation / Employability.

## **MODEL QUESTION PAPER**

### **M.B.A. (REGULAR) DEGREE EXAMINATION**

#### **Third Semester**

#### **20 BA 341 – FINANCIAL INSTITUTIONS & MARKETS**

**Duration: 3 hours**

**Maximum Marks: 70**

#### **SECTION- A**

*Answer Any Five of the Following Questions*

**5×4=20 Marks**

1. (A) Explain about Indian financial system.(CO1)(L2)

**(OR)**

(B) Define Reserve Bank of India. (CO 2)(L1)

2. (A) What is a Banking institution?(CO 2)(L1)

**(OR)**

(B) Define NBFC (CO 2)(L1)

3. (A) Define ECB. (CO 3)(L1)

**(OR)**

(B) What are the functions of IRDA? (CO 4)(L1)

4. (A) What is Primary market?(CO 4)(L1)

**(OR)**

(B) Ministry of Finance (CO 4) (L1)

5. (A) Define Foreign exchange market.(CO 5)(L1)

**(OR)**

6. (B) What is Commodity market?(CO 4)(L1)

#### **SECTION – B**

**Answer All Questions**

**5×8=40Marks**

2. a) What is financial system? What are the various functions of financial system?(CO 1) (L1)  
OR  
b) Explain the role and functions of participants in the financial markets.(CO 2)(L5)
3. a) Discuss about non-banking institutions. What is the role of NBFCs in economic development.(CO 2)(L6)(L1)  
OR  
b) What is the role of NABARD in economic development?(CO 2 )(L1)
4. a) What is International Monetary Fund (IMF)?And also explain the role of IMF.(CO 3)(L 1)(L6)  
OR  
b) Describe about Global Financial Institutions.(CO 3)(L2)
5. a) What is capital market? What are the components of capital market? (CO 4)(L1)  
OR  
b) Discuss about the stock exchanges. How are the stock exchanges regulated?(CO 4)(L6)( L1)
6. a) What is the money market? What are the various instruments of money markets?(CO 5)(L1)  
OR  
b) Discuss about foreign exchange market and also explain about its structure and operations.(,CO 5)(L6)(L2 )

**SECTION C - (1 x 10 =10 marks)**

**Case study (Compulsory)**

7. Discuss the main role and function of the International Monetary Fund. How does it differ in its role and functioning from the World Bank?(L6)