

INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR

Post Graduate Diploma in Management (PGDM)

Financial Markets & Instruments (FN504)

CREDIT: 2 credits

SESSION DURATION: 60 Minutes

TERM: III

YEAR: 2021

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Office hours: 9:30 AM – 5:30 PM

Course Introduction:

The core objective of this course is to familiarize students with the Financial System of an economy which consists of financial markets, financial intermediation and financial instruments or financial products. This course will give a brief introduction to the entire financial infrastructure in India. The course will introduce the banking sector which forms the bedrock of the Indian financial system, and the regulatory role and functions of the Reserve Bank of India. The financial markets in India to be covered in brief will include the money market, the Government securities market, the foreign exchange market, the capital Market and the credit market along with the major players as well as the regulatory bodies. This course will also cover the Instrument/Financial Products existing in India and the importance of these in a Risk-return scenario.

Learning Outcomes:

LO1 – Understand the role, the financial system has on the economic development and growth of a nation

LO2 – Identify the various constituents of the Financial system and understand their nature and characteristics.

LO3 – Understand the functioning of regulatory bodies and their overall importance in the financial system.

LO4 – Explain the role of Banking and Non-Banking Financial Institutions, Intermediaries and other Developmental FI's

LO5 – Understand the nature, types and characteristics of various Financial instruments and the markets they are traded in.

Course Readings

1. L.M. Bhole & Jitendra Mahakud, Financial Institutions & Markets (11th ed.). TMH. (LMB)
2. B.V. Pathak. Indian Financial System, Pearson (PAT)

Course Evaluation criteria (%):

Quizzes	20
Project Report (10 MT + 20 ET)	30
Assignments	10
End-term Exam	40
Total	100

Session Plan:

Session No.	Topic	Learning outcomes	Chapter(s)
1	Introduction: Functions & role of financial system	LO1	LMB -1 PAT -1
2-3	Indian financial system – Banking <ul style="list-style-type: none"> • Reserve Bank of India • Commercial Banking 	LO1	LMB 3,4 PAT – 13, 14
4-5	Raising ST capital <ul style="list-style-type: none"> • Commercial Bills • Call market • Commercial Papers 	LO2, LO3 LO4	LMB 3,4 PAT – 4
6-8	Raising LT capital <ul style="list-style-type: none"> • Shares • Debentures • Rights • Lease 	LO4, LO5	FAB 14-15 PAT – 5,6, 22
9	Role of SEBI, Important Guidelines for Capital markets	LO3	LMB 7 PAT – 24
10-11	International financial markets <ul style="list-style-type: none"> • ADRs/ GDRs • Eurodollar market 	LO6	Class discussion and focused study materials
12-13	Mortgage and Securitized asset markets <ul style="list-style-type: none"> • MBS 	LO4, LO5	Class discussion and focused study materials

	• ABS		
14-16	Forex markets, Derivatives markets	LO5	LMB 20, 21 PAT – 9
17	Insurance Companies and IRDA	LO4, LO5	LMB 11 PAT – 16
18-19	Gilt edged securities market, Debt market	LO4, LO5	LMB 18 PAT – 10
20	Small savings, Provident fund & Pension fund, Mutual funds	LO5	LMB 10 PAT – 15

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