

JAI HIND COLLEGE AUTONOMOUS



Syllabus for S.Y.BFM

Course : Financial Markets

Semester : III

Credit Based Semester & Grading System

With effect from Academic Year 2018-19

List of Courses

Course: Financial Markets

Semester: III

SR. NO.	COURSE CODE	COURSE TITLE	NO. OF LECTURES / WEEK	NO. OF CREDITS
SY				
1	CBFM301	BUSINESS LAW - I	4	3
2	CBFM302	MONEY MARKETS	3	2
3	CBFM303	DEBT MARKETS - I	4	3
4	CBFM304	EQUITY MARKETS-I	4	3
5	CBFM305	COMMODITY MARKETS	4	3
6	CBFM306	COMPUTER APPLICATIONS IN INVESTMENTS	4	3
7	CBFM307	MANGEMENT ACCOUNTING	4	3

Course Code CBFM301	BUSINESS LAW-1	03 Credits
	THEORY	(60 lectures)
Sub Unit 1	Indian Contract Act(Add Companies Act)	15
1.	Indian Contract Act 1872	
2.	Definitions (S.2): Agreement, kinds of Agreements, Contract- kinds of contracts: Valid, Void, Voidable, Contingent and Quasi Contract and E-contract, Distinguish between Agreement and Contract.	
3.	Offer or Proposal- Definition, Essentials of Valid proposal or offer, counteroffer, Standing or open offer, distinguish between offer and invitation to offer, Acceptance-definition, Essentials of a valid acceptance, Promise, Communication of Offer and acceptance and Revocation.	

4.	Capacity to Contract (Ss.10-12), Consent and Free Consent (Ss.13-22)	
5	Consideration (S.2 and 25) and Void Agreements (Ss.24-30)	
Sub Unit 2	Special Contracts	15
1.	Law of Indemnity and Guarantee (Ss.124-125, Ss-126-129,132-147)	
2.	Law of Bailment and pledge (Ss. (Secs148,152-154,162, 172,178,178A and179)	
3.	Law of Agency (S. 182-185& 201-209only)	

Sub Unit 3	Sale of Goods Act	15
1.	Introduction, Definitions (Sec-2), Formalities of the contract of sale (Ss. 4-10), Distinction between 'sale' and 'agreement of sell, Distinction between 'sale and hire-purchase agreement' Conditions and Warranties (11-17)	
2.	Transfer of property as between the seller and the buyer sec-18-26)	
3.	Rights of an unpaid seller (Secs-45-54)	
Sub Unit 4	Negotiable Instruments Act	15
1.	Meaning and Characteristics of Negotiable Instrument, Operational rules of Evidence – Presumptions, Classification of Negotiable Instruments.	

2.	<p>Promissory Notes and Bills of Exchange (Ss. 4,5,108-116)</p> <p>Essential elements of Promissory Note and Bill of Exchange, Distinguish Between Promissory note and Bill of Exchange. Acceptor and Acceptance, Definition of Acceptor, Acceptance for honour, Absolute and qualified or conditional acceptance, Drawer, Drawee in case of Need (Ss.7,115&116)</p>	
3.	<p>Payee, Cheques, Types of Cheque and Penalties in case of dishonour of certain Cheques, distinguish between cheque and Bill of exchange, (Sec: 6,123-131A,138-147)</p>	
4.	<p>Miscellaneous Provisions: (Secs:8-10,22,99-102,118-122,134-137) Holder (S.8), Holder in Due Course (S.9), Rights and privileges of H.D.C. Payment in due course (S.10), Maturity of an Instrument (S.22), Noting (S.99), Protest (S.100-102). Bills in Set. (Sec.13)</p>	
ICA (Internal Continuous Assessment)	<p>CA I: Q. 1. Concept testing</p> <p>Q.2. Short Notes</p> <p>CAII Presentation & Reports</p>	<p>10 MARKS</p> <p>10 MARKS</p> <p>20 MARKS</p>

References:	<ul style="list-style-type: none">• Indian Contract Act , Sale of Goods Act and Partnership Act – Desai T R – S C – Sarkar and sons• The Negotiable Instruments Act – Khergamwala J S – N M Tripathy• The Principles of Mercantile Law – Singh Avtar – Eastern Books Co.• T P Ghoshon Companies Act 2013: T P Ghosh: Taxmann• E Book by ICAI on Companies Act 2013• E Book by Institute of Company Secretaries of India	
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Course Code CBFM302	FOUNDATION COURSE IN FINANCIAL MARKETS FC – III-MONEY MARKET	03 Credits
	THEORY	(15 lectures)
Sub Unit 1	Introduction to money markets	15
1.	Meaning of Money Market, features of Money Markets, Importance of money market	
2.	Role of Primary dealers in Money markets, Development of trade & Industry,	
3.	Development of capital market, Smooth functioning of commercial banks, Effective central bank control	
4.	Formulation of Suitable Monetary policy, Source of finance to Government	
Sub Unit 2	Regulatory framework of Money Markets	15
1.	Regulatory framework of RBI, FIMMDA (Fixed Income, Money Market and Derivatives Association)	
2.	Foreign Exchange Dealers Association of India (FEDAI), conDS, NDS-OM	
Sub Unit 3	Money Market Instruments	15

1.	Conventional: Treasury bills, Money at call and short notice in the call loan market, Commercial bills, promissory notes in the bill market.	
2.	Modern: Commercial papers, Certificate of deposit, Inter-bank participation certificates, Repo instrument, Banker's Acceptance.	
3.	Money Market Mutual fund: meaning, advantages and disadvantages, regulatory framework for money market mutual funds, various money market funds operational in Indian market	
Sub Unit 4	Recent Developments in Money Markets	15
1.	Introduction of innovative instrument, Offering of Market rates of interest, Promotion of bill culture, Entry of Money market mutual funds, Setting up of credit rating agencies	
2.	Adoption of suitable monetary policy, Establishment of DFHI, Setting up of security trading corporation of India ltd.	
3.	(STCI) Recent development in Money Market: Integration of unorganized sector with the organized sector, widening of call Money market	
ICA (Internal Continuous Assessment)	CA I: Q. 1. Concept testing Q.2. Short Notes CAII	10 MARKS 10 MARKS

	Presentation & Reports	20 MARKS
Refer- ences:	<ul style="list-style-type: none"> • Money Market Operations in India- A K Sengupta • The Indian Money Market- Krishna Kumar sharma • Stigum's Money Market- Marcia Stigum • CNBC Guide to Money and Markets 	

Course Code CBFM303	DEBT MARKET - 1	03 Credits
	THEORY	60 lectures
Sub Unit 1	Introduction to the debt markets	15
1.	<ul style="list-style-type: none"> • Evolution of Debt Markets in India 	
2.	<ul style="list-style-type: none"> • Primary & Secondary Debt market 	
3.	<ul style="list-style-type: none"> • Money Market & Debt Market in India 	
4.	<ul style="list-style-type: none"> • Fundamental features of Debt instruments 	
5	<ul style="list-style-type: none"> • Regulatory framework in the Indian Debt Market 	
Sub Unit 2	Instruments & Players in Debt Markets	15
1.	<ul style="list-style-type: none"> • Central Government Securities: Bonds, T-Bills, State Government Bonds. • Green Finance and Green Bonds. 	
2.	<ul style="list-style-type: none"> • Open Market Operations 	
3.	<ul style="list-style-type: none"> • Securities Trading Corporation of India 	
4.	<ul style="list-style-type: none"> • Primary dealers in Government Securities 	

5	Clearing Corporation of India	
Sub Unit 3	Bonds	15
1.	<ul style="list-style-type: none"> • Features of bonds 	
2.	<ul style="list-style-type: none"> • Types of bonds 	
3.	<ul style="list-style-type: none"> • Issuers of bonds 	
4.	<ul style="list-style-type: none"> • Bond ratings- importance & relevance and rating agencies. 	
Sub Unit 4	Valuation of bonds	15
1.	<ul style="list-style-type: none"> • Determinants of the value of bonds 	
2.	<ul style="list-style-type: none"> • Bond Mathematics 	
3.	Yield Curve Analysis	
ICA (Internal Continuous Assessment)	CA I: Q. 1. Concept testing Q.2. Short Notes CAII Case Study Presentation & Reports	10 MARKS 10 MARKS 20 MARKS
References:	<ul style="list-style-type: none"> ▪ Bhardwaj, Gautam, (2008), The Future of India's Debt Market, Tata McGraw Hill. 	

	<ul style="list-style-type: none">▪ Suryanarayan, (2002), Debt Market, ICFAI Publication Press.▪ Fabozzi, Frank, (2004), Fixed Income Analysis Workbook, 2nd edition , John Wiley & Sons▪ Shah, Ajay, Thomas, Sushan and Gorham, Michael, (2008), Indian Financial Markets, Elsevier, USA▪ FIMMDA-NSE Debt Market (Basic) Module, Workbook from NSE.▪ Dun and Bradstreet, (2008), Fixed Income Securities, Tata McGraw Hill.	
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Course Code CBFM304	EQUITY MARKETS -1	03 Credits
	THEORY	60
Sub Unit 1	Equity Markets- Introduction	15
1.	<ul style="list-style-type: none"> • Meaning and Definition of Equity Shares 	
2.	<ul style="list-style-type: none"> • Growth of Corporate Sector and the simultaneous growth in the number of equity shareholders 	
3.	<ul style="list-style-type: none"> • Separation of ownership and management in companies 	
4.	Development of Equity Culture in India- Current position	
Sub Unit 2	Primary Market	15
1.	<ul style="list-style-type: none"> • IPO - Methods followed, Book Building, Offer for sale • Role of Merchant bankers in fixing the price 	
3.	<ul style="list-style-type: none"> • Red – Herring Prospectus – it’s unique features 	
4.	<ul style="list-style-type: none"> • ASBA and its features 	

5	Green Shoe option	
6	<ul style="list-style-type: none"> Sweat equity, ESOP 	
7	Rights issue of shares, Non-Voting shares ,ADR, GDR,IDR	
Sub Unit 3	Secondary Market	15
1.	<ul style="list-style-type: none"> Definition and functions of stock Exchanges 	
2.	<ul style="list-style-type: none"> Evolution and Growth of Stock Exchanges in India 	
3.	<ul style="list-style-type: none"> NSE, BSE, SME Exchanges and Overseas Stock Exchanges 	
4.	<ul style="list-style-type: none"> Recent Development in Stock Exchanges, Merger of SEBI with FOMC 	
5.	<ul style="list-style-type: none"> Stock Market Indices Indexation and ETF 	
Sub Unit 4	Importance of Equity Markets in developing country like India	15
1.	<ul style="list-style-type: none"> Need for attracting more investors towards equity 	
2.	<ul style="list-style-type: none"> Need for strengthening secondary markets 	
3.	Link between Primary Market and Secondary Market	

<p>ICA (Internal Continu- ous As- sessment)</p>	<p>CA I: Q. 1. Concept testing Q.2. Short Notes CAII Presentation & Reports</p>	<p>10 MARKS 10 MARKS 20 MARKS</p>
<p>Refer- ences:</p>	<ol style="list-style-type: none"> 1. Equity Markets in India- Shvetasingh& P K Jain 2. Equity and Debt Markets- HardeepKaur 3. An Introduction to Equity Markets- David Dasey 	

Course Code CBFM305	COMMODITIES MARKETS	03 Credits
	THEORY	60 lectures
Sub Unit 1	Introduction to Commodity Market	15
1.	Emergence of Commodity Market	
2.	Dynamics of global commodity markets	
Sub Unit 2	Commodity Market in India	15
1.	Commodity Exchanges in India Role of Information in Commodity Markets	
3.	Linkages between Equity markets and Commodity markets	
4.	Commodity Markets - Logistics and Warehousing	
Sub Unit 3	Commodity Exchanges	15 lectures
1.	Function & Role Of Derivative Exchanges	

2.	Trading & Clearing Methods of Derivative Exchange	
3.	Commodity futures Contracts	
4.	Commodity Specific Exchanges Vs Multi Commodity Exchanges	
Sub Unit 4	Strengthening commodity markets in India	15 lectures
1.	Role of Government	
2.	Role of Commodity Exchanges	
3.	Role of FMC & Other Institutions like Ware House Corp. of India, Dept. of Consumer Affairs.	
4	Training & development of Dealers	
ICA (Internal Continu- ous As- sessment)	CA I: Q. 1. Concept testing Q.2. Short Notes CAII	10 MARKS 10 MARKS 20 MARKS

	Presentation & Reports	
Refer- ences:	<ul style="list-style-type: none"> ○ Commodities Market Module, Workbook from NSE ○ Chatnani, (2010), Commodity Markets, 1st edition, Tata McGraw Hill. ○ John C. Hull&SankarshanBasu, Options, Futures and other Derivatives, Ninth Edition, Pearson Publications ○ Kleinman, George, (2001), Commodity Futures & Options, 2nd (revised, illustrated edition), Prentice Hall. ○ Stephens, John. (2001), Managing Commodity Risk, John Wiley & Sons. ○ Indian Institute of Banking & Finance, (2007), Commodity Derivatives, Macmillan India Ltd 	

Course Code CBFM306	COMPUTER APPLICATIONS IN INVESTMENTS	03 Credits
	THEORY	(60 lec- tures)
Sub Unit 1	Advanced Spreadsheet	15
1.	Pivot, Advanced formulae, Lookups, Macros, Working with other programmes	
2.	Inserting a spreadsheet sheet in word document, modifying an inserted spreadsheet	
3.	Inserting a linked chart in a Word Document	
4.	Inserting graphic in a spreadsheet	
Sub Unit 2	Data Based Management Systems	15
1.	Concepts, Tables, Fields, Data types	
2.	RDBMS	
3.	Primary Key, Foreign Key	
Sub Unit 3	Modern E Business Software Systems	15

1.	Introduction -Enterprise Resource Planning –ERP	
2.	Supply chain Management- SCM	
3.	Customer Relationship Management- CRM	
4.	Sales Force Automation- SFA	
Sub Unit 4	Web Designing	15
1.	Introduction to the Web. Introduction to HTML. Formatting Text Using Tags. Images, List. Creating Hyperlinks and Anchors. Tables, Complex Tables, Frames. Forms	
ICA (Internal Continuous Assessment)	CAI Practicals CAII Presentations	20 Marks 20 Marks
References:	<ul style="list-style-type: none"> • Fundamentals of Computers – Rajaram V – Prentice Hall • Computer today (3rd edition) – Sanders, Donald H – McGraw Hill • Computers and Common sense – Hunt, Roger and Shelly 	

	<p>John – Prentice Hall</p> <ul style="list-style-type: none">• Computers – Subramaniam N – Wheeler• Introduction to Computers – Xavier C. – New Age	
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Course Code CBFM307	MANAGEMENT ACCOUNTING	03 Credits
	THEORY	(60lectures)
Sub Unit 1	Introduction to Management Accounting	2
1.	Meaning, nature, scope and functions of Management accounting	
2.	Role of Management Accounting in decision making-	
3.	Management accounting and Financial Accounting	
Sub Unit 2	Analysis and interpretation of Accounts	20
1.	Vertical form of Balance Sheet and Profit & Loss account suitable for analysis	
2.	Trend analysis	
3.	Comparative Statements	
4.	Common size statement	
5.	Problems based on the above	
Sub Unit 3	Ratio analysis and interpretation based on Vertical finan-	18

	cial Statements as above	
1.	a) Balance sheet Ratios Current Ratio Liquid Ratio Stock Working capital Ratio Proprietary Ratio Debt Equity Ratio Capital Gearing Ratio	
2.	b) Combined Ratios Return on Capital Employed (including long term borrowings) Return on Proprietor's Fund (shareholders' fund and Preference Capital) Return on Equity Capital Dividend Payout Ratio Debt Service coverage Ratio Debtors Turnover Ratio Creditors Turnover Ratio	
Sub Unit 4	Cash flow Statements	10
1.	Preparation of cash flow statements with reference to Accounting Standard No 3 – Indirect Method Only	
Sub Unit 5	Working Capital- Concept	10
1.	Estimation of working capital requirements in case of trading	

	and manufacturing organisations	
ICA (Internal Continu- ous As- sessment)	<p>CA I:</p> <p>Q.1. Concept testing</p> <p>Q. 2. Practical Problems</p> <p>CAII</p> <p>Q.1. Concept testing</p> <p>Q. 2. Practical Problems</p>	<p>10 Marks</p> <p>10 Marks</p> <p>10 Marks</p> <p>10 Marks</p>
Refer- ences:	<ul style="list-style-type: none"> • Cost Management by Saxena&Vashist • Cost & Management Accounting by Ravi N.Kishor, PublicationTaxmonth • Essential of Management Accounting by P.N.Reddy,Himalaye • Advanced Management Accounting by Robert S Kailar,Holl • Financial Of Management Accounting by S.R.Varshney,Wisdom • Introduction of Management Accounting by Charbs T Horngram, PHI Learnng 	