

JAI HIND COLLEGE AUTONOMOUS



Syllabus for T.Y.BFM

Course : Financial Markets

Semester : V

Credit Based Semester & Grading System

With effect from Academic Year 2018-19

List of Courses

Course: Financial Markets

Semester: V

SR. NO.	COURSE CODE	COURSE TITLE	NO. OF LECTURES / WEEK	NO. OF CREDITS
TY				
1	CBFM501	FINANCIAL DERIVATIVES	5	4
2	CBFM502	BUSINESS ETHICS AND CORPORATE GOVERNANCE	5	4
3	CBFM503	EQUITY RESEARCH	4	3
4	CBFM504	TECHNICAL ANALYSIS	4	3
5	CBFM505	MARKETING OF FINANCIAL SERVICES	4	3
6	CBFM506	DIRECT TAXATION	4	3

Course Code CBFM501	FINANCIAL DERIVATIVES	04 Credits
	THEORY	(75lectures)
1	Introduction to Derivatives	18 lectures
1.	Definition – Types- Participants and Functions- Development of Exchange traded derivatives	
2.	Global derivatives markets- Exchange traded vs OTC derivatives market	
3.	Derivatives trading in India- L.C.Gupta committee- J.R.C. varma committee	
3.	- Requirements for a successful derivatives markets	
2	Futures and options- introduction	19 lectures
1.	<ul style="list-style-type: none"> Futures: Introduction- Future terminology- Key features of futures contracts- Future vs. Forwards- Pay off for futures- Equity futures- Equity futures in India-Index futures- Stock futures- Future trading strategies-Hedging- Speculation- Arbitrage- Spread trading. 	
2.	Options: Introduction- Option terminology- Types- Options pay off- Equity options contracts in India-Index Options – Stock options- Options trading strategies- Hedging- Speculation- Arbitrage- Straddle- Strangles- Strips and Straps – Spread trading	
3	Pricing of Future Options	19 lectures
1.	<ul style="list-style-type: none"> The cost of carry models for stock and index futures- cash price and future price, arbitrage opportunity 	
2.	<ul style="list-style-type: none"> Factors affecting options pricing- Option pricing models- Binominal pricing model- The black and Scholes model – Pricing of Index options. 	
3.	Sensitivity of option premia (Delta, Gamma, Lambda, Theta, Rho)	

4	Trading Clearing and Settlement of Options and Futures	19 lectures
1.	<ul style="list-style-type: none"> Futures and Options trading system- Trader workstations- contract specification- specification for stock and index eligibility for trading charges 	
2.	<ul style="list-style-type: none"> Clearing entities and their role- clear mechanism – adjustment for corporate actions- open position calculation 	
3.	<p>Margining and settlement mechanism- Risk management- SPAN – Mechanics of SPAN- Overall portfolio margin requirements.</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"> John C. Hull & Sankarshan Basu, Options, Futures And Other Derivative, Ninth Edition, Pearson publication. John C. Hull, Fundamentals of Futures and Options Market, Eighth Edition, Pearson Publication. 	

Course Code CBFM502	BUSINESS ETHICS AND CORPORATE GOVERNANCE	04 Credits
	THEORY	(75 lectures)
Sub Unit 1	Business Ethics	18 lectures
1.	Role of Board of Directors, Organization climate and structure ethics	
2.	Addressing ethical dilemmas Code of ethics; ethics committee, ethics training, integrity pact	
Sub Unit 2	Corporate Governance- Conceptual Framework	19 lectures
1.	Introduction, need and scope	
2.	Evolution of Corporate Governance Developments in India	
3.	Elements of Good Corporate Governance, ESG- Environment Social Governance- Tata Steel Various scams(Sahara,, Enron, Kingfisher, Worldcom, Harshad Mehta, PNB, HSBC, Satyam)	
Sub Unit 3	Corporate Governance and Shareholders Rights	19 lectures
1.	Rights of shareholders Challenges of exercising shareholders rights Corporate governance and Related Party Transactions Role of Investor Association in securing shareholders rights Role of institutional investors in Corporate Governance	
Sub Unit 4	Corporate Governance Forums and Legislative Framework of Corporate Governance in India	19 lectures
1.	National Foundation of Corporate Governance Global Corporate Governance forum Listing agreements SEBI Guidelines Companies Act	
ICA (Internal Continuous Assessment)	CA I: Q. 1. Concept testing Q.2. Short Notes CAII	10 MARKS 10 MARKS

	Presentation & Reports	20 MARKS
References:	<ul style="list-style-type: none"> • Business Ethics- Concepts and Cases – Manuel G. Velasquez • Corporate Governance, Principles, policies and Practices – A.C. Fernando, Pearson Education • Corporate Governance – IICA, Taxmann • The Art of Corporate Governance – Dr. Joffy George • Companies Act 2013 and Rules • SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 	

Course Code CBFM503	EQUITY RESEARCH	03 Credits
	THEORY	(60 lectures)
Sub Unit 1	Introduction to Research and Research Methodology	15
1.	Introduction and meaning of research, Objectives of research, Features and Importance of research in Financial Markets, Objectives and Types of research.	
2.	Formulation of research problem. Meaning of Introduction, Need and Good research design. Introduction to Data Collection and types of Data	
Sub Unit 2	Equity Research – An Overview	15
1.	Introduction – Meaning, Goals of equity research, Elements of equity research, Process of equity research, Types of equity research, Classification of stocks, Market participants, Role of equity research in capital market and Different approaches to equity research.	
2	Introduction to Research Analyst Profession – Role of research analyst, Responsibilities of research analyst, Basic principles of interaction with Clients/ Companies, Qualities of Research Analyst.	
Sub Unit 3	Fundamentals of Research	15
1.	Fundamentals of Research – Key points considered before investing, Research on business and stocks, Overview of Fundamental analysis, Technical analysis and Behavioural finance.	
2.	Economy Analysis – Principles of macro and micro economics, key economic variables for carrying fundamental analysis, sources of information/data for carrying economic analysis	
3	Industry Analysis – Theories for analysis for industry performance – Michael Porter’s Five Force Model for Industry Analysis, PESTLE Analysis, BCG Analysis, SCP Analysis. Key industry drivers and sources of information for industry analysis.	

Sub Unit 4	Company Analysis	15
1.	Qualitative Dimensions – Understanding business and business models, Company’s SWOT Analysis, Management Quality and its governance system, Pricing power and sustainability of power, Success factors of the company, Compliance orientation of company and sources of information	
2.	Quantitative Dimensions – History of Business V/s Future of Business, Reading of financial statements, Peer comparison, dividend and earning history of the company and Role of corporate actions of the company	
ICA (Internal Continuous Assessment)	CA I: Q. 1. Concept testing Q.2. Short Notes CAII Presentation & Reports	10 MARKS 10 MARKS 20 MARKS
References:	<ul style="list-style-type: none"> • Equity Research and Valuation: Dun and Brad Street- McGraw Hills Professional • Damodaran on Valuation: Ashwath Damodaran- Wiley • Best Practices for Equity Research Analysts: James Valentine- McGraw Hill Education • Principles of Quantitative Equity Investing: Sugata Ray- Pearso 	

Course Code CBFM504	TECHNICAL ANALYSIS	03 Credits
	THEORY	(60 lectures)
Sub Unit 1	Introduction to Technical Analysis	15 lectures
1.	Technical analysis, Basic assumptions, Strengths and Weakness;	
2.	Dow Theory, Charts, Candlestick Charts Analysis With One Two And Three Candles Like Hammer, Hanging Man, Shooting Star, Bearish And Bullish Harami;	
3.	Pattern Study - Support and resistance, Head and shoulders, Double top and double bottom.	
Sub Unit 2	Major Indicators and Oscillators	15 lectures
1.	Stochastic, RSI, Williams %R, MFI, Bollinger bands,	
2.	Moving Averages,	
3.	MACD, Other Investments	
Sub Unit 3	Major Theories in TA	15 lectures
1.	Efficient Market Hypothesis, Gap Theory, Dow Theory and Eliot Wave Theory	
	Risk Management, Trading Psychology and Trading Strategies	15 lectures
1.	Risk Management – Need, techniques, uses of stop loss, qualities of successful traders, golden rules of traders, do's and don'ts in trading,	
2.	Rules to stop losing money, Choosing the right market to trade, Importance of discipline in trading;	
3.	Trading, Risks associated with trading, Strategies for Trading, Momentum Trading Strategies. Roles Played by Trader- Speculator, Hedger, Arbitrager. Modern Trend in Trading Algo Trading, High Rythemic trading	

<p style="text-align: center;">ICA (Internal Continuou s Assessmen t)</p>	<p>CA I: Q. 1. Concept testing</p> <p>Q.2. Short Notes</p> <p>CAII Presentation & Reports</p>	<p style="text-align: center;">10 MARKS</p> <p style="text-align: center;">10 MARKS</p> <p style="text-align: center;">20 MARKS</p>
<p>References :</p>	<p>Technical Analysis of Stock Trend; Robert D Edwards, Visiosn Book Technical Analysis Explained; Martin J Pring; McGraw Hill Handbook of Technical Analysis, Darell R Jobman; Probus Technical Analysis of Stocks , options; William Eng, Probus Technical Analysis, Jack D Schwager, John Wiley & Sons</p>	

Course Code CBFM505	MARKETING IN FINANCIAL SERVICES	03 Credits
	THEORY	(60 lectures)
Sub Unit1	Introduction to Marketing & Services	15 lectures
1.	Foundation of services marketing – Introduction – The services concept – Service Industry – Nature of Service, Characteristics of Services, Classification of Services – Importance of Services Marketing – The Growth in Services – Global and Indian Scenario,	
2.	Retail Financial Services: Investment Services – Insurance Services, Credit Services – Dimensions and drivers,.	
3.	Institutional Financial Service, Distinctive Characteristics of Services _ Four I’s of Services – Intangibility, Inconsistency, Inseparability and Inventory, Managing Service Encounters	
Sub Unit 2	Services Market Segmentation	15 lectures
1.	Positioning and Differentiation of Services, Promotion and Communication – Designing and Managing Service Processes,	
2.	Constructing and Service Environment – Managing People for Service Advantage – Service Quality and Productivity – Customer Relationship Management Customer Loyalty.	
Sub Unit 3	Issues in Marketing of Services	15 lectures
1.	Extended Services Marketing Mix : Going Beyond the 4 Ps. (7Ps of Services Marketing). Service Delivery Process – Service Blueprints -	
2.	Service Mapping – Managing Employees for service orientation. Distribution Strategies of Services – Challenges in Distribution of Services. Personal Selling – Advertising and Sales Promotion in Service Industry	
Sub Unit 4	Customer Satisfaction & Service Quality in Service Marketing	15 lectures
1.	Service Encounter – Role of HR & Internal Marketing – Monitoring and Measuring customer satisfaction, GAP Model –	
2.	Handling complaints effectively – Service Failure – Recovery, Use of Internet in Service Marketing, Role of IT in marketing Financial	

	Services, Ethics in Marketing,	
3.	New trends in marketing, Marketing in 21st Century, Marketing through social networking channels, Digital Marketing	
ICA (Internal Continuous Assessment)	Written tests / assignments / presentations divided into 20- 20 marks each	
References:	<p>Marketing Financial Services: Arthur Meidam: Macmillan</p> <ul style="list-style-type: none"> • Marketing Financial Services: Christine Ennew, Trevor Watkins Mike Wright: Routledge • The Essence of Services Marketing.: Payne, Adrian: Prentice Hall of India Private Limited, • Customer Service Meaning and Measurement: La Londe, B.J. and Zinszer, P.H: National Council of Physical Distribution Management (NCPDM.) • Financial Services Marketing: Harrison, Tina: Pearson Education 	

Course Code CBFM506	DIRECT TAXATION	03 Credits
	THEORY	(60 lectures)
Sub Unit1	Definitions and Residential Status	15 lectures
1.	Basic Terms (Sec. 2,3,4) Assesse, Assessment	
2.	Assessment Year, Annual Value, Business, Capital Assets, Income, Previous Year, Person, Transfer. Determination of Residential Status of Individual	
3.	Scope of Total Income (Sec 5) Exclusions from total income Sec 10 (Exclusions relating to specific heads to be covered with relevant heads of income)	
Sub Unit2	Heads of Income – I	15 lectures
1.	Salary (Sec.15-17) Income from House Property (Sec. 22-27)	
2.	Profit & Gain from Business and Profession(Sec. 28, 30,31,32, 35, 35D,36,37, 40, 40A and 43B) Capital Gain (Sec. 45, 48, 49, 50 and 54) Income from other sources (Sec.56- 59)	
Sub Unit3	Deductions under Chapter VI A	15 lectures
1.	Deductions from Total Income S. 80C, 80CCC, 80D, 80DD, 80E, 80U, 80TTA 4 Computation of Taxable Income of Individual-	
Sub Unit4	Computation of Taxable Income of Individuals	15 lectures
1.	Computation of Total Income and Taxable Income of Individuals Long Term Capital Gains, Solvency and GST	
ICA (Internal Continuous Assessment)	Written tests / assignments / presentations divided into 20- 20 marks each	
References:	Students Guide to Income Tax DrVinodSinghania- Taxmann • Students Handbook on Taxation- T N Manoharan- Snow White • Income Tax Act and Rules	