

Financial Markets and Institutions

Course Objectives

- Understand the structure and organization of financial markets.
- Analyze the functions and operations of various financial institutions.
- Explore the role of financial intermediaries in the economy.
- Examine the regulatory frameworks governing financial markets and institutions.
- Assess the impact of financial market developments on economic activity.
- Develop critical thinking and analytical skills in evaluating financial market trends and dynamics

Course Outcomes

After completion of the course, learners will be able to:

- Students are able to know the features of different financial markets and their role in economic development.
- Students are able to know the functions of financial markets and capital markets.
- Students are able to know about the commercial Banks and their role in project financing and working capital finance and also about the massive growth of NPAs.
- Students are able to know about the role of insurance companies, NBFCs and Mutual Funds.
- Understand the basics of financial services and its various dimensions.

Unit I: An Introduction to Financial System and its Components

Financial markets and institutions. Financial intermediation, Functions and components of Financial System Financial system and economic development .An overview of the Indian financial system.

Unit II: Financial Market

Money market-functions, organization and instruments. Role of Central Bank in money market; Indian money market-An overview. Capital Markets- functions, organization and instruments. Indian debt market; Indian equity market-primary and secondary markets; Role of stock exchanges in India.

Unit III: Financial Institution

Commercial banking-introduction, its role in project finance and working capital finance. Development Financial Institutions (DFIs).problems of NPA, Financial Inclusion. Life and non-life insurance companies in India; Non-banking financial companies (NBFCs); Mutual Funds; Types and role in Capital Market, Regulation of Mutual Funds.

Unit IV: Financial Services

Meaning, types, Leasing and hire-purchase, Consumer and housing finance; Venture capital finance; Factoring services, Bank Guarantees and Bank Undertakings, Letter of Credit; Credit Rating Agencies.

Suggested Readings

- ✓ *Gupta S. K. Financial Market, Institution and Services, kalyani publishing house.*
- ✓ *Bhole, L.M., Financial Markets and Institutions. Tata McGraw Hill Publishing Company*
- ✓ *Khan, M.Y., Indian Financial System Theory and Practice. New Delhi: Vikas Publishing House*
- ✓ *Financial Services and Markets, Pandian Punithavathy Vikas Publishing*
- ✓ *Sharma, G.L., and Y.P. Singh. Contemporary Issues in Finance and Taxation. Academic Foundation, Delhi*
- ✓ *Khan and Jain, Financial Services, Tata McGraw Hill*
- ✓ *Singh, J.K., Venture Capital Financing in India. Dhanpat Rai and Company, New Delhi.*
- ✓ *Annual Reports of Major Financial Institutions in India.*