

Objectives: *This course aims at providing the students the intricacies of Indian financial system for better financial decision making.*

Unit 1

Introduction: Financial system - meaning and significance financial system; an overview of the components/structure of formal financial system; Functions of a financial system; financial system and economic development; major financial institutions in India; financial sector reforms in India.

Unit 2

Money market: Meaning and functions of money market; money market instruments - treasury bills, commercial papers, certificates of deposit; Role of RBI in the money market; money market and monetary policy in India.

Unit 3

Capital market: Introduction and functions; capital market instruments; primary and secondary capital markets; IPO; new issue - public issue, rights issue, private placement, and preferential issue; book building - overview; development of stock market in India; major stock market indices - India and abroad; methodologies for calculating stock indices.

Unit 4

Financial services: Investment banking - meaning and functions of investment banks; credit rating - significance of credit rating, major credit rating agencies, credit rating methodology and symbols; factoring - meaning and types of factoring.

SUGGESTED READINGS:

1. Pathak, B. V. The Indian Financial System: Markets, Institutions and Services. Pearson.
2. Khan, M.Y. Indian Financial System. McGraw Hill Education (India) Private limited.
3. Kohn, M. Financial Institutions & Markets, Tata McGraw Hill, New Delhi.