

## Indian Financial System

<b>Program Name – T.Y.B.Com (regular)</b>		<b>Semester – VI</b>	
<b>Course Name:</b>		<b>Course Code:</b>	
<b>Periods per week (60 minutes)</b>		<b>04</b>	
<b>Credits</b>		<b>04</b>	
		<b>Hours</b>	<b>Marks</b>
<b>Evaluation System</b>	<b>Theory Examination</b>	<b>2</b>	<b>60</b>
	<b>Internal</b>	<b>--</b>	<b>40</b>

### Objectives of the course:

1. To introduce the concept of Financial System to learners and explain the significance of Financial System in India's economic growth.
2. To familiarize the learners with the role and operations of Financial Intermediaries and provide insights into basic financial market instruments.
3. To familiarize the learner with the types of financial markets and their mechanisms
4. To enable Learners to identify the regulatory bodies in financial market and develop an understanding of their role in regulating financial market operations.

Module	Name	Lectures
1	Introduction to Financial System	15
2	Financial Institutions and Instruments	15
3	Financial Markets	15
4	Regulatory bodies in financial system	15
	<b>Total</b>	<b>60</b>

**R- Remember, U- Understand, A – Apply, AN- Analyze, EV- Evaluate, CR - Create**

Module / Unit	Proposed Syllabus As per DSC framework of NEP	Level of Knowledge Applicable as per Blooms Taxonomy
I	<p>Introduction to Financial System</p> <p>A) Introduction – Meaning, Significance, Functions</p> <p>B) Evolution of Financial system in India – Phase 1 : Pre 1951, Phase II: 1951 to Mid Eighties, Phase III: Post Nineties</p> <p>C) Structure of Indian Financial System – Institutional set up, Market Structure, Instruments, overview of different financial services.</p> <p>D) Challenges in Financial sector</p>	<p>A) R, U</p> <p>B) AN, U</p> <p>C)R, U</p> <p>D) AN,U</p>
II	<p>Financial Intermediaries and Instruments</p> <p>A) Banks – Evolution, Types of Banks, NBFC</p> <p>B) Insurance Companies – Operations, Principles of Insurance, Types of insurance, Reinsurance</p> <p>C) Capital Market instruments – Bonds, Equities, Long term loans</p> <p>D) Money Market Instruments – Treasury bills, commercial paper, certificate of deposit, Call money</p>	<p>A) AN</p> <p>B) A</p> <p>C) A , E</p> <p>D) A</p>
III	<p>Financial Markets –</p> <p>A) Classification on the basis of Time, on the basis of instruments traded, based on intermediaries- organized and unorganized market</p> <p>B) Capital market, Procedure of IPO, Concept of Book building, ASBA</p> <p>C) Commodity Market: Categories, Derivatives Market: Types, Participants,</p> <p>D) Types of Derivative Instruments – Instruments traded- Futures, forwards, options, swaps</p>	<p>A)R, U</p> <p>B) R, U</p> <p>C)R, U</p> <p>D) R,U</p>

IV	Institutional Support and Regulation	A) AN
	A) Stock Exchanges- Objectives, History, Functions and significance of stock exchanges, Working of Stock Exchanges	
	B) SEBI: Formation, Powers and Functions of SEBI Investors protection measures of SEBI..	B) A, U
	C) Credit Rating: Advantages, Functions, Role of Credit Rating Agencies in India	C) A, AN
	D) Scams in financial market- Methodology & Impact- Harshad Mehta Scam, Ketan Parekh Scam, IPO Demat Scam, Sahara India Scam, UTI Scam	D) E, U

### **Course Outcomes:**

#### **After completion of this course the students will**

1. Understand the concept of Financial System and realise the significance of Financial System in India's economic growth.
2. Appreciate the role and operations of Financial Intermediaries and acquire insights into basic financial market instruments.
3. Analyze the types of financial markets and understand their operating mechanisms
4. Identify and appreciate the role of regulatory bodies in financial market in regulating financial market operations.

### **References:**

1. V.Avadhani, Indian capital market, First Edition, Himalaya publishing Home.
2. H.R.Machiraju, Merchant banking, third Edition, New age international publishers.
3. Rudder Datt & K.P.M.Sundharam, Indian Economy, Fortieth Revised Edition, S.Chand & Co.Ltd.,
4. M.Y.Khan, Indian financial system, Fourth Edition, Tata McGraw Hill.
5. Khan, M. Y., Indian Financial System-Theory and Practice, Tata McGraw Hill (TMH)
6. Bhole, L. M., Financial Markets and Institutions, TMH
7. Nayak and Sana, Indian Financial System and Financial Market Operations
8. Gurusamy, Financial Services, TMH
9. Pathak, B., Indian Financial System, Pearson

10. Goel, Sandeep. (2012). Financial services.PHI

### Examination and Evaluation Pattern

The examination for the students in this course will be held under two heads:

- Continuous Internal Assessment
- End Semester Examination

Type	Continuous Internal Assessment	Semester End Examination
<b>Total Marks</b>	40	60
<b>Minimum Passing Mark</b>	16	24

#### Continuous Internal Assessment

This is continuous evaluation for 40 marks which would include:

S No.	Evaluation type	Marks
1.	Tests – (Online / Offline) Test Pattern: (Offline) Q.1 A) Multiple Choice Questions (any 5 of 6) ----- 5 M B) True / False (any 5 of 6) ----- 5 M Q.2 Short Notes (any 2 of 3) ----- 10 M	20
2	Assignment/ Field trip report	20

#### Semester End Examination

- Maximum Marks: 60
- Questions to be set: 04
- Duration: 2 Hours

**All Questions are Compulsory Carrying 15 Marks Each**

Question No	Particular	Marks
Q-1	Answer any 2 out of 3	15 Marks
Q-2	Answer any 2 out of 3	15 Marks

Q-3	Answer any 2 out of 3	15 Marks
Q-4	Answer any 2 out of 3	15 Marks

**Percentage of 6 categories of Blooms Taxonomy in question paper**

	Continuous Internal Assessment (40 Marks)		Semester End Examination of 60 Marks						
% in Question Paper	Remember	Understand	Remember	Understand	Apply	Analyze	Evaluate	Create	
	20%	20%	-	30%	15%	15%	-	-	100%