

MB303.1: Financial Institutions and services

Learning Objectives:

- a. To introduce students to the world of financial services
- b. To enrich student's understanding of the fundamental concepts and working of financial service institutions
- c. To equip students with the knowledge and skills necessary to become employable in the financial service industry.

Unit –I: Overview of Indian Financial System:

Concept of Indian Financial system , Major Components, Traditional and Modern Approaches of Indian Financial System, Financial Intermediation, Concept, Rationale, Need and Functions of Financial Intermediaries ,Types of Financial Intermediaries in India.

Unit – II: Issue Management and Stock Markets:

Issue Management Process, Pre-issue and Post Issue Activities, Pricing of Issues, Book Building Offer , Concept of Underwriting – Green Shoe Option
Meaning and Definition of Stock Market , Concept of Trading in Stocks ,Dematerialisation and Online Trading , Evolution of Stock Markets in India, BSE , NSE – Objectives and Functions ,SEBI and its Regulatory Role in the Capital Markets.

Unit –III: Banking Systems:

Concept of Money and Banking, Evolution of Banking in India , Pre and Post Nationalisation , Banking Sector Reforms- Classification of Banks and Their Significance , Types of Lending by Banks, Features of Bank Credit – Credit Process and Management- Innovations in Banking Sector , Cashless Economy and Role of Banks , RBI as an Apex Institution, Role, Objectives and Functions.

Unit –IV: Financial Services:

Introduction to Financial Services – Role and Significance of Financial Services in Economic Development – Types of Financial Services, Concept of Leasing, Factoring, Hire Purchase, Bill Discounting, Venture Capital Financing , Merchant Banking Services , Credit Rating, Need and Importance , Rating Methodology.

Unit – V: Insurance Services:

Insurance as a Risk Management Technique, Principles of Insurance , Insurance Contract and Characteristics , Types of Insurance, Reinsurance, Life Insurance- Need and Importance – Types of Insurance Schemes- Private and Government Insurance - Intermediaries in India, IRDAI and its Role as Regulatory Body.

Suggested Books:

1. Gordon and Natarajan, "Financial Markets and Services', 2009, HPH, 7th Ed, Mumbai.
2. Bharti Pathak, "Indian Financial System", 2010, 3rd Ed. Pearson Education.
3. Dr. Gurusamy. S., "Financial Services", Tata McGraw-Hill, Education Pvt. Ltd, 2nd Ed., New Delhi.

4. Padmalatha Suresh & Justin Paul, Management of Banking & Financial Services, Pearson, 2nd Edition.
5. Vasant Desai, Banks & Institutional Management, Himalaya Publishing House 2010, 2nd Edition.

Learning Outcomes:

After the end of this course the student will be able to :

- a) Describe the role and structure of the indian financial system;
- b) Explain key concepts such as financial intermediation and financial markets and instruments
- c) Understand how various financial services like lease, hire purchase, venture capital and merchant banking services operate in the Indian context