

University of Mumbai



Syllabus and Question Paper Pattern of Indian Financial System (Elective Course)

Of

Second Year

Semester III and IV

**Under Choice Based Credit, Grading and
Semester System**

With effect from Academic Year-2017-2018

Board of studies – Business Economics

Objective: INDIAN FINANCIAL SYSTEM.

A Financial System plays a vital role in the economic growth of a country. It intermediates between the flow of funds belonging to those who save a part of their income and those who invest in productive assets. It facilitates the transfer and allocation of funds, efficiently and effectively. The Indian Financial System has metamorphosed in to a substantive, competitive and cost effective system and hence, it is essential to study in depth about its structure and recent developments.



**Revised Syllabus of Course of B.Com. Programme at
Semester III
With Effect from the Academic Year 2017-2018**

**Business Economics
Indian Financial System**

List of Modules

Sr. No.	Modules	No.of Lectures
1	Overview of the Indian Financial System	10
2	Indian Banking System	10
3	Development Banks	15
4	Interest Rate Structure	10
	Total	45

Sr.No.	Modules / Units
1	OVERVIEW OF INDIAN FINANCIAL SYSTEM
	<p>Definition and Meaning of Financial System</p> <p>Components of the Financial System: Institutions, Markets and Services; Financial System and Economic Development,</p> <p>Kinds of Finance – Rudimentary Finance, Direct and Indirect Finance</p>
2	INDIAN BANKING SYSTEM
	<p>Commercial Banks – Introduction, Its role in Project Finance and Working Capital Finance, Structure of Commercial Banking System in India; Credit Creation Process of Commercial Banks;</p> <p>The Reserve Bank of India: Developmental Functions; Instruments of Monetary and Credit Control, Transmission channels of Monetary Policy.</p>
3	DEVELOPMENT BANKS
	<p>Concept of Development Bank and their needs in Indian Financial System – Difference with Commercial Banks – Major Development Banks and their Functions (IFCI, IDBI, ICICI, EXIM Bank, SIDBI, SFCs, NABARD)</p> <p>Other Financial Institutions: Introduction; Life Insurance Corporation of India, General Insurance Corporation of India, Unit Trust of India, Mutual Funds- Introduction and their role in Capital Market Development.</p>
4	INTEREST RATE STRUCTURE
	<p>Meaning – Gross and Net Interest Rate – their differences</p> <p>Nominal and Real Interest Rate – their difference, Differential Interest Rate</p> <p>Causes of Variation of Interest Rate</p> <p>Relationship between Interest Rate and Economic Progress</p> <p>Administered and Market determined Interest Rate</p> <p>Recent Changes in Interest Structure in India</p>

Reference Books	
	Meir Kohn, Financial Institution and Market, Oxford University Press. New Delhi.
	Khan, M. Y., Indian Financial System-Theory and Practice, TMH, New Delhi.
	Bhole, L. M., Financial Markets and Institutions, Tata McGraw Hill, New Delhi.
	Pathak, B., Indian Financial System-Pearson, New Delhi.
	Mukherjee, Ghosh and Roy, Indian Financial System and Financial Market Operations, Dey Book
	Clifford, Gomez, Financial Markets, Institutions and Financial Services,
	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.
	Simha, S.L.N. Development Banking in India. Madras: Institute of Financial Management and

QUESTION PAPER PATTERN

Semester III

Maximum Marks: 100 Marks

Time: 3 Hours

Note: 1) Attempt all Questions

2) All Questions carry equal marks

Question No	Particulars	Marks
Q-1	Objective Questions: A) Explain the following Concepts (Any Five from Eight) (Two from each module) B) Multiple Choice Questions (Any Ten from Twelve) (Three from each Module)	20Marks 10 Marks 10 Marks
Q-2	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-3	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-4	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-5	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks

***Revised Syllabus of Courses of B.Com. Programme at
Semester IV
with Effect from the Academic Year 2017-2018***

**Business Economics
Financial Market Operation**

List of Modules

Sr. No.	Modules	No.of Lectures
1	Money Market	10
2	Capital Market	15
3	Debt Market	10
4	Financial Services	10
	Total	45

Objective: FINANCIAL MARKET OPERATIONS

It has been a long journey for the Indian Financial Market. Now it is organized, fairly integrated, mature, more global and modernized. The Indian Financial Markets are now getting integrated with global markets. Therefore, it is necessary to study the Indian Financial Market Operations in an organized manner.

Sr.No.	Modules / Units
1	MONEY MARKET
	Concept, Structure of Indian Money Market, Acceptance Houses, Discount Houses, Call Money Market, Recent trends of Indian Money Markets
2	CAPITAL MARKET
	Concept of Security Market, Primary & Secondary Markets-Functions & Role, Functionaries of Stock Exchanges-Brokers, Sub- Brokers, Jobbers, Consultants, Institutional Investors & NRIs . Regional and Modern Stock Exchanges, International Stock Exchanges, Demutualization of Exchanges, Comparison between NSE and BSE, Raising of funds from International Markets: ADRs and GDRs, FCCB and Euro Issues; Investors' Protection Grievances concerning Stock Exchange dealings & their removal, Grievance Redressal Cell in Stock Exchanges, Role of SEBI.
3	DEBT MARKET
	Debt Market: Introduction and Meaning, Market for Government/Debt Securities in India, Secondary Market for Government/Debt Securities, Over Subscription and Development of Government Securities, Government securities issued by State Governments, Municipal Bonds, Corporate Bonds vs. Government Bonds
4	FINANCIAL SERVICES
	Merchant Banking-Functions & Role, Credit Rating-Concept & Types, Functions & Limitations, Leasing Companies, Venture Capital Funds, Micro Finance.

Reference Books	
	Khan, M. Y., Indian Financial System-Theory and Practice, Tata McGraw Hill (TMH)
	Bhole, L. M., Financial Markets and Institutions, TMH
	Nayak and Sana, Indian Financial System and Financial Market Operations
	Gurusamy, Financial Services, TMH
	Pathak, B., Indian Financial System, Pearson
	Goel, Sandeep. (2012). Financial services.PHI

QUESTION PAPER PATTERN

Semester IV

Maximum Marks: 100 Marks

Time: 3 Hours

Note: 1) Attempt all Questions

2) All Questions carry equal marks

Question No	Particulars	Marks
Q-1	Objective Questions: A) Explain the following Concepts (Any Five from Eight) (Two from each module) B) Multiple Choice question (Any Ten from Twelve) (Three from each Module)	20Marks 10 Marks 10 Marks
Q-2	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-3	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-4	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-5	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks