



SYMBIOSIS COLLEGE OF ARTS & COMMERCE

An Autonomous College | Under Savitribai Phule Pune University

Reaccredited 'A+' with 3.51 CGPA For Third Cycle By NAAC | College with Potential for Excellence

COURSE TITLE	Financial Institutions & Markets	
Course Learning Outcomes:		
On successful completion of the course students will be able to:		
<ol style="list-style-type: none"> 1. Provide an insight to students into the functions and role of varied and multiple constituents of the Indian financial system. 2. Lay out a strong and firm theoretical foundation of studies in the field of banking, capital market and financial services. 3. Enable students to understand the latest developments in the rapidly changing scenario of the Indian financial System. 4. Help the students to understand the role of financial system regulators and its major players. 5. Comprehend and grasp the different mechanisms and channels for raising finance which enables a modern economy to operate. 		
Gist of this course in maximum 3 to 4 lines	The course intends to make students aware about the changing scenario of banking in India. It also aims at explaining the role, structure, performance and the current problems faced by the banking sector in India. It also tries to throw light on the future prospects and role of banking sector. Students are expected to study the current affairs and events happening in the money market and capital market at the national and international level.	
Unit	CONTENTS OF THE COURSE	No. of Lectures
1.	Introduction to Financial System 1.1 Meaning, Functions & Components of Financial System 1.2 Relationship between Financial System and Economic Development 1.3 Theories of Financial Development – Credit Creation Theory, Financial Regulation Theory, Financial Liberalization Theory 1.4 Understanding the Balance Sheet of a Commercial Bank	10
2.	Indian Financial Institutions 2.1 Commercial Banks- Profile of Scheduled Commercial Banks(SCBs); Post Reform Progress – Profitability of Banks, Valuation and operation of investment portfolios by banks, Management of Non-Performing Assets, Prudential Norms Relating to Capital Adequacy, Risk Management in Banks. 2.2 Developments in Indian Banking – Overview of Basel Norms I, II, III; Consolidation, Financial Inclusion and KYC Norms, Recapitalization of Banks	12

	<p>2.3 Changing role of Digital Payments in India – Pre & Post CovidScenario</p> <p>2.4 Regional Rural Banks – Objectives, Features, RBI Assistance</p> <p>2.5 Role of Small Finance & Payment Banks</p>	
3.	<p>Reserve Bank of India</p> <p>3.1 Role of RBI in the Financial System</p> <p>3.2 Reserve Management and Liquidity Management in the post Liberalization period</p> <p>3.3 RBI and Policy debates</p> <p>3.4 Changing role of Monetary Policy and Inflation targeting</p>	12
4.	<p>Non - Banking Financial Institutions</p> <p>4.1 RBI’s Classification of NBFCs.</p> <p>4.2 Non - Banking Institutions -Small Savings, Pension Funds, Mutual Funds, Insurance Companies</p> <p>4.3 Leasing, Hire Purchase Companies, Merchant Banking, Venture Capital Companies, Factoring</p> <p>4.4 Regulation of NBFCs in India, Performance of NBFCs in India (Post 2008)</p>	14
5.	<p>Financial Markets</p> <p>4.1 Money market – Structure, Functions and significance of Money Market, characteristics and instruments</p> <p>4.2 Capital market -Structure, Functions, Characteristics, Participants & Instruments</p> <p>4.3 Foreign Exchange Markets - Functions, organization and structure, Participants and transactions in the Foreign exchange market, risks in the market, Forwards, Futures, Speculation, Hedging and Arbitrage</p> <p>4.4 Regulatory Framework for Financial Markets (SEBI, IRDA, FEMA)</p>	12
	Total Number of Lectures	60

Teaching Methodology :	1.Lectures 2.Class Discussions and Presentations 3.Audio Visuals 4. Quizzes 5. Case Studies
Projects / Field work as part of continuous assessment: Topic: A Case Study on Profile of any one of the Scheduled Commercial Banks(SCBs) Objectives: To help students to apply theoretical knowledge to practical aspects of banking. Learning Outcomes: Students get hands on experience in data collection from various sources.	
Recommended Reading: <ul style="list-style-type: none"> • H.Y Kulkarni [2015], ‘Indian Financial System in the World Monetary Order’. • M Y Khan [2013], ‘Indian Financial System’, McGraw Hill Education, New Delhi. • International Banking’ Ed. MacMillan Pvt. Ltd. 2011. Indian Institution of Banking and Finance, New Delhi. • Bhole, L. M. [2012]. ‘Financial Institutions and Markets,’ Tata McGraw Hill Co. Ltd. New Delhi. • Pathak, Bharati, [2009] ‘The Indian Financial System, ’Pearson Education Publication, New Delhi. • D. Muralidharan. [2009]’Modern Banking Theory and Practice,’ PHI Learning Pvt. Ltd. New Delhi. • Prasad, K.N. [2001] ‘Development of India’s Financial System,’ Sarup and Sons, New Delhi. Other Readings- <ul style="list-style-type: none"> • RBI Annual Reports • Reports on Currency and Finance • Basel Committee Report on Banking Supervision, 2001. • RBI Bulletins, Economic and Political Weekly issues • http://www.rbi.gov.in/ • http://www.sebi.gov.in/ • http://www.mca.gov.in/ Suggested Reading <ul style="list-style-type: none"> • Uppal,R.K. (2009), ‘Modern Banking in India – Dimensions and Risk’ New Century Pub. New Delhi. • Sharma, K.C. [2007]’Modern Banking in India,’ Deep and Deep Pub. New Delhi. • Bhole, L. M. [2000]’ Indian Financial System,’ Chugh Publications, Allahabad. • Chandra P. (1997), Financial Markets, (4th Edition), Tata McGraw Hill, New, New Delhi. 	