



**Dr. V. N. Bedekar Institute of Management, Thane**  
**Teaching Plan (MMS/PGDM)**  
**Academic Year (2018-2019)**

Programme Name: PGDM

Semester: IV

Name of the subject: Financial Markets and Services

Maximum marks: 100

No. of Sessions: 10

Name of the Faculty: Dr. Meenakshi Malhotra

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Weblink:

**Learning Objectives:**

1. To understand different components of the Indian Financial system and their functions.
2. To comprehend various products issued through different financial institutions in the primary and secondary markets.
3. To understand the fixed income market, the different instruments and concepts related to it.

**Reference Books:**

1. L M Bhole and Jitendra Mahakud, Financial Markets & Institutions.
2. E Gordon and K Natarajan, Financial Markets and Services.
3. Anthony Saunders, Financial Markets and Institutions.
4. SEBI Guide Lines on Mutual funds.

**Plan:**

Session No	Topics to be covered	Books referred/ Recommended/ References-Print/Articles/ News/Research papers/ Online database/ Software /Simulations used	Learning outcomes	Evaluation of Students understanding by MCQs, Quiz, Short Test
1	Introduction to Financial Markets: Money Markets, Capital Markets, Advantages of Financial Markets to	<ol style="list-style-type: none"><li>1. E Gordon and K Natarajan, Financial Markets and Services.</li><li>2. Anthony Saunders, Financial Markets and Institutions</li></ol>	Understanding Indian financial system and its	MCQ, Presentation, Case Study analysis.



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	investors / corporate.	<ol style="list-style-type: none"> <li>3. <a href="http://www.capitalmarket.com/">http://www.capitalmarket.com/</a></li> <li>4. <a href="https://economictimes.indiatimes.com/definition/capital-market">https://economictimes.indiatimes.com/definition/capital-market</a></li> </ol>	components	
2	Determinants of Interest Rate: Real and nominal Interest rates, Theory of Term structure of Interest Rates, Monetary Policy, Role played by Central Bank, Measures of money supply (M1 / M3), Influence of Interest Rates in other economics on domestic interest rates	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. <a href="http://www.economicdiscussion.net/money-supply/money-supply-importance-concepts-determinants-and-everything-else/10477">http://www.economicdiscussion.net/money-supply/money-supply-importance-concepts-determinants-and-everything-else/10477</a></li> <li>3. <a href="https://quickonomics.com/three-measures-money-supply/">https://quickonomics.com/three-measures-money-supply/</a></li> </ol>	Understanding the concept of interest rate, monetary policy and its effect on the economy	Numerical Assignment, Group Discussion on Monetary policy, Presentation, MCQ
3	Money Markets: Need of Money Market, Various Money Market instruments.	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. E Gordon and K Natarajan, Financial Markets and Services</li> <li>3. <a href="https://www.bankbazaar.com/mutual-fund/money-market-instruments.html?ck=Y%2BziX71XnZjIM9ZwEflsyH9xOLhECpicvJb9IuXuOM%2BZC0TqFEkhF6ljN6nbC1ZXXBwImSfaF7%2BS%0AmJOG7qYyyg%3D%3D&amp;rc=1">https://www.bankbazaar.com/mutual-fund/money-market-instruments.html?ck=Y%2BziX71XnZjIM9ZwEflsyH9xOLhECpicvJb9IuXuOM%2BZC0TqFEkhF6ljN6nbC1ZXXBwImSfaF7%2BS%0AmJOG7qYyyg%3D%3D&amp;rc=1</a></li> </ol>	Understand the different instruments of money market	Trend Analysis of Money Market Instruments, Presentation
4	Measuring Bond equivalent yield and discount yield on Money Market instruments, How the Monetary Policy stance of central bank gets percolated in the economy	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. E Gordon and K Natarajan, Financial Markets and Services</li> <li>3. <a href="https://www.business-standard.com/article/economy-policy/rbi-s-policy-stance-signals-positive-change-despite-rising-crude-prices-118040500606_1.html">https://www.business-standard.com/article/economy-policy/rbi-s-policy-stance-signals-positive-change-despite-rising-crude-prices-118040500606_1.html</a></li> </ol>	Effect of money market on the economy.	MCQ, Presentation
5	Bonds: Bonds mathematics (YTM, Currency yield, duration, convexity, zero coupon yield etc.). Application of duration in Risk Management Term	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. I m Pandey, Financial Management</li> <li>3. <a href="http://www.graduatetutor.com/corporate-finance-tutoring/yields-bond-valuation-pricing/">http://www.graduatetutor.com/corporate-finance-tutoring/yields-bond-valuation-pricing/</a></li> </ol>	Ability to understand different concepts of fixed income	Presentation



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	Structure & Theories Behind term Structure		securities	
6	Determinants of interest rates - Role played by Central Bank Monetary & Credit Policy, Effect of Globalization, Government bonds & Corporate bonds Interest Rate Risk Management, Introduction to FRA s / SWAPS, Introduction to Mortgage Mathematics	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. <a href="https://www.investopedia.com/exam-guide/cfa-level-1/quantitative-methods/time-value-money-interest-rates.asp">https://www.investopedia.com/exam-guide/cfa-level-1/quantitative-methods/time-value-money-interest-rates.asp</a></li> <li>3. file:///C:/Users/tcsexam/Downloads/fm-determinants-interest-rates.pdf</li> </ol>	Understanding the role of Monetary Credit policy and different types of bonds.	Quiz, Presentation,
7	Stock Markets: Introduction to Portfolio Management Theory, Understanding Risk, diversification. CAPM, Systematic / Unsystematic Risks etc., Relative Valuation Measures Like PE Ratio	<ol style="list-style-type: none"> <li>1. Hull John C. - Options, Futures and other derivatives</li> <li>2. <a href="https://www.moneycontrol.com/">https://www.moneycontrol.com/</a></li> <li>3. <a href="https://www.nseindia.com/">https://www.nseindia.com/</a></li> <li>4. <a href="https://www.cnbc.com/markets/">https://www.cnbc.com/markets/</a></li> </ol>	Basic understanding of the portfolio designing and its risk measurement.	Case study analysis, Presentation
8	Mutual Funds: Structure & Important regulations w.r.t. MFs, Advantages of Investments through MFs, Types of MFs & Investment options, The present status of MF industry in India and its potential.	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. E Gordon and K Natarajan, Financial Markets and Services.</li> <li>3. <a href="https://cleartax.in/s/sebi-mutual-fund-guidelines">https://cleartax.in/s/sebi-mutual-fund-guidelines</a></li> <li>4. <a href="https://www.moneycontrol.com/">https://www.moneycontrol.com/</a></li> <li>5. <a href="https://economictimes.indiatimes.com/definition/category/Mutual-Fund">https://economictimes.indiatimes.com/definition/category/Mutual-Fund</a></li> </ol>	Understand in detail the concept of mutual funds and its current regulations.	Live Project, Presentations
9	Styles of Investment, Fund Manager s past performance, AMC s Reputation etc., Actual Performance of Indian MF (Returns delivered by Indian Mutual Funds)	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. Financial management, I. M. Pandey</li> <li>3. <a href="https://www.mutualfundindia.com/">https://www.mutualfundindia.com/</a></li> </ol>	Performance of Mutual funds and regulations	Live Project, Presentations



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10	Foreign Exchange Markets: Purpose served by Markets, Floating /Fixed rate - Advantages / Disadvantages, Determinants of Currency Movements or Exchange rate, Real & Nominal Exchange Rates Covered Interest Parity	<ol style="list-style-type: none"> <li>1. Anthony Saunders, Financial Markets and Institutions</li> <li>2. <a href="https://www.investopedia.com/terms/c/covered-interest-rate-parity.asp">https://www.investopedia.com/terms/c/covered-interest-rate-parity.asp</a></li> <li>3. <a href="https://www.investopedia.com/articles/03/020603.asp">https://www.investopedia.com/articles/03/020603.asp</a></li> <li>4. <a href="http://www.sanandres.esc.edu.ar/secondary/economics%20packs/international_economics/page_60.htm">http://www.sanandres.esc.edu.ar/secondary/economics%20packs/international_economics/page_60.htm</a></li> </ol>	General understanding of currency markets and its role in the financial system	Class Test, Presentation
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**2. Practical Approach : Other activities (Atleast 4 distinct activities)**

Sr. No.	Activity Name	Topic Covered	Learning outcomes	Source
1	Academic Projects	Dummy Portfolio	Actual practical experience of trading and investment	<a href="https://etportfolio.indiatimes.com/pw_portfolio.cms#/portfolio/">https://etportfolio.indiatimes.com/pw_portfolio.cms#/portfolio/</a>
2	Group Discussion	Monetary policy	Practical Knowledge and increase in class participation	<a href="https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752">https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752</a> <a href="https://www.focus-economics.com/countries/india/news/monetary-policy/central-bank-keeps-rates-unchanged-in-february">https://www.focus-economics.com/countries/india/news/monetary-policy/central-bank-keeps-rates-unchanged-in-february</a>
3	Business Quiz / Business News sharing	Financial markets, Interest rate	Practical Knowledge and increase in class participation	<a href="https://economictimes.indiatimes.com/personal-finance">https://economictimes.indiatimes.com/personal-finance</a>
4	Videos / Simulation	Financial Market, Mutual Funds, Foreign Exchange Market, Bond Market	Easy learning and concept clarity for students	<a href="https://www.youtube.com/watch?v=d0XKtUXgpOw&amp;t=9s">https://www.youtube.com/watch?v=d0XKtUXgpOw&amp;t=9s</a> <a href="https://www.youtube.com/watch?v=phgww4ZijpQ">https://www.youtube.com/watch?v=phgww4ZijpQ</a>
5	Use of Softwares and Labs	Portfolio development	Live Trading	<a href="https://www.moneycontrol.com/">https://www.moneycontrol.com/</a> <a href="https://login.axisdirect.in/">https://login.axisdirect.in/</a>
6	Presentation By students	All topics Group Presentation	Subject Knowledge and improvement in presentation skills.	



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**Evaluation:**

**I) Internal:**

<b>Component</b>	<b>Details</b>	<b>Marks</b>
Class Test	Live trading and investment	20
Presentation/Live project	Group Presentation on syllabus topics	10
Attendance & Active Participation	Quiz, Business news	5
Overall conduct	Attendance	5

**Signature of Faculty**

**Signature of the Co-ordinator**