

**Department of Commerce**  
**M.Com.**

**Optional Stream -3: Banking and Insurance Management (BAIM) CMS559:**

**Optional (BAIM): Financial Services and Institutions**

**Work load: 3 hours lecture and 2 hours tutorial per week: total 4 credits**

**Learning Objectives:**

- The course aims at providing students with an understanding of the structure, Operations, Functions and procedures of financial institutions, Markets and different services provided by them.

**Course Outcomes:**

1. Provides an understanding of intricacies of the macro aspects of financial survey and institution and relating it with corporate decisionmaking.

**Unit -1:** Introduction: Nature and role of financial system, financial system and economic development – Indian Financial System, Monetary Management, R.B.I, - Functions, Promotional and Regulatory rules- Recent trends.

**Unit-2:** Merchant Banking and credit rating: concept- Functions, Lead Managers, underwriters to an issue – Bankers to an issue, Debenture Trustees, Portfolio Managers, - Regulation of Merchant Banking activities – Credit Rating agencies – Rating Methodologies and processes- Rating symbols- Recent Trends.

**Unit-3:** Special Financial Institutions in India – Concept; functions, project identification – promotion- Project appraisal and Evaluation – Procedure of lending – Supervision and follow up Entrepreneurship Development Programmes – Agencies to carry out EDP's, types, nature and evaluation – Regional imbalance - causes and consequences- Government policy – measures for Balanced development – Package measures of Development Banks – Recent trends. A brief study of development banks like IFCI –IDBI –ICICI-LIC and GIC – UTI–SFC's-SIDC's/SIIC's–IRBI–SIDBI–Recent Trends.

**Unit-4:** Financial Markets – Money and Capital markets – Money market, constituents, functions, call money market, REPOs and Reverse REPOs Money market instruments, treasury bills, commercial bills, trade bills, commercial papers and certificates of Deposit, The Discount Market – Discounting service – Discount and Finance House of India – Recent trends in Indian Money Market- Capital Market- Primary and Secondary markets, Depositories and Custodians- Depository system, National Securities Depository Limited- Central Depository Services(India Ltd.), Custodians, Stock Holding Corporation of India Ltd. Role of SEBI- Recent Trends.

**Unit-5:** Non banking Financial Companies: Concept, Functions, role of non banking financial intermediaries – Non banking companies – RBI and statutory commission – Public Deposits ,RBI's Directions on Acceptance of Public Deposits – Lease Financing, Hire Purchase finance, Factoring and Forfaiting, Venture Capital Financing – Mutual Funds – Investment Policies of non banking Financial Companies- Recent trends.

## **References**

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- Shirley and Boskey- — Problems and Practice of Development Banks – WorldBank
- Desai Vasant- Development Banking in India – Issues and Options, (Himalaya Publishing House)
- Sinha S.L.N, Development Banking in India – Issues and options- IFMRMadras.
- Congall Herbert E and Guanany Jack E, capital markets and Institutions PrenticeHall
- Khan M.Y Indian Financial System, Sultan Chand & Sons, NewDelhi
- Khan M.Y Financial Services Tata McGraw Hill.
- Singh Vimal Shankar, Development Banking in India, Vikas PublishingHouse.
- Srivastava R.M Management of Indian Financial Institution- Himalaya PublishingHouse.
- Kuchhal S.C – Corporation Finance, Chaitanya PublishingHouse
- Kuchhal S.C – Industrial Economy of India – Chaitanya PublishingHouse
- Tarakeshwar and Martin P.D – Institutional Financing in India – Sahitya Bhawan –Agra.
- Bhole L.M – Financial Institutions and Markets – Tata McGrawHill
- Shekhar K.C – Banking Theory and Practice Vikas PublishingHouse.
- Avadhani – Investment and Securities Markets in India, Himalaya Publications,Delhi.
- Ghosh D – Banking Policy in India, Allied Publications –Delhi
- Giddy I.H Global Financial Markets – AITBS,Delhi
- Varshney P.N – Indian Financial System, Sultan Chand & Sons, NewDelhi.
- Averbach Robert. D: Money, Banking and Financial Markets, Macmillan, London.
- Verma J.C Guide to Mutual Funds and Investment Portfolio, Bharat Publishing House, New Delhi.
- R.B.I Bulletin, Annual Reports and Report on Currency andFinance.
- Report on Development banking in India,IDBI

