



**JAIPURIA INSTITUTE OF MANAGEMENT**  
**Post Graduate Diploma in Management-Service Management**

Course Code and title	FIN 403: Financial System & Services
Credits	3
Term and Year	IV Term, 2018 -19
Course Pre-requisite(s)	As applicable
Course Requirement(s)	
Course Schedule (day and time of class)	Time Table Slot here
Classroom # (Location)	
Course Instructor	Dr Puneet Dubblish
Course Instructor Email	puneet.dubblish@jaipuria.ac.in
Course Instructor Phone (Office)	0120-4638300 - 301
Student Consultation Hours	Monday to Thursday from 3.15 to 5.15 pm
Office location	Room no. CF 11

**1. Course Overview**

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 mobilizes and usefully allocates scarce resources of a country. The existence of an efficient financial system facilitates economic activity and growth. The growth of financial structure is a precondition to economic growth. In other words, markets, institutions and instruments are the prime movers of economic growth. The financial system of a country diverts its savings towards more productive uses and so it helps to increase the output of the economy.

The formal financial system consists of four segments. These are: financial institutions, financial markets, financial instruments and financial services. Financial institutions can be classified as banking and non-banking financial institutions. Financial markets are a mechanism enabling participants to deal in financial claims. The main organized financial markets in India are the capital market and the money market. The financial services industry nationally and internationally is huge, growing and is of critical importance to the health of the global economy as well as that of individual businesses, investors, consumers and employees.

The objective of this course is to make the students aware of the Indian Financial System and to shed light on the role of financial intermediaries in the financial market. The purpose of this course is to develop an insight into the growing significance of financial services as a dynamic sector. It also elaborates various conventional as well as innovative fund based and fee based financial services provided by the financial intermediaries.

## 2. Course Learning Outcomes (CLO)

At the end of the course, the students should be able to:

**CLO 1:** Describe constituents of financial system and its role in economic growth (**K**)

**CLO 2:** Explain functioning of financial market components, instruments and intermediaries (**K**)

**CLO 3:** Classify fund and fee based financial services (**K**)

**CLO 4:** Analyze data and contemporary news based on financial market & services (**S**)

	PLO-1	PLO-2	PLO-3	PLO-4	PLO-5	PLO 6	PLO-7	PLO-8
CLO1								
CLO2								
CLO3								
CLO4	✓							✓

## 3. Mapping of CLOs with GAs

	GA 1	GA 2	GA 3	GA 4	GA 5	GA 6	GA 7	GA 8
CLO 1		✓						
CLO 2		✓						
CLO 3		✓						
CLO 4					✓			

## 4. Prescribed VED framework

Module	Vital (prerequisite or basic knowledge or skills)	Essential (Non-imperative yet significant)	Desirable (adds substance, breadth, or interest to a subject or skill)
<b>Module I: Financial Markets</b>	-Components -Concepts -Functions -Instruments -Intermediaries	-Financial system & economic growth -Money market & monetary policy -Public issue management -Allocation of securities	-What latest changes and developments have taken place and how it has affected the financial system as a whole.
<b>Module II: Financial Services</b>	- Concepts -Types -Functions -Intermediaries	-Risk management practices -Provisions/regulations -Process/method	-Changes brought in fund and fee based services.

	Pre-class
	In-class
	Beyond class

## 5. Text Book

Bharati Pathak (2017). *Indian Financial System, 4/E*. Pearson Education India.

## 6. Assessment Tasks

Assessment Item	Description	Weightage	CLO
Quiz	There shall be two quizzes, one pre-midterm and one post mid-term.	20 %	1, 2, 3
Group Project & Presentation	Students will do an analysis on their respective topics based on secondary data and news. The detailed guidelines of group project assignment shall be shared on MOODLE	30 %	2, 3, 4
Class Participation & Discussion Forum	Students participation in class room discussion and discussion forum on moodle. 50% weightage will be given for online discussion on related contemporary theme	10 %	2, 3

### Assessment Task Description

#### Quiz

**Weightage:** 20% (refer Rubric of evaluation at the end).

**Description:** There will be two quizzes administered through Moodle with sequential layout and individual performance will be assessed. Quiz 1 and quiz 2 will cover financial markets and financial services respectively. Question bank of minimum 20 questions to be created for a quiz of 10 questions. The format of the quiz would be *20% basic, 50% intermediate and 30% advanced level*.

**Expectation from students:** Ability to remember and apply concepts learnt in attempting the quiz questions.

**Suggested time to devote to this task:** 5-6 weeks per quiz

**Submission details:** Quiz on Moodle

**Feedback and return of work:** Feedback will be given immediately after assessment.

**Pre/In/beyond class:** Beyond class

#### Group Project & Presentation

**Weightage:** 30% (refer Rubric of evaluation at the end).

**Rubrics for assessment:** *a. Financial Markets/Services Data Analysis b. Recent Developments/News Analysis*

**Description:** This would involve collecting and analysing secondary data on financial markets/services and incorporating recent developments and information, preparing a detailed report in soft copy covering all the dimensions mentioned in rubrics for assessment.

**Expectation from the students:** Adhere to Academic Integrity and late submissions will not be accepted

**Academic Integrity:** Submissions without a turnitin report on similarity index will not be accepted. The similarity index should not be more than 20%.

**Late submissions:** will be out rightly rejected.

**Suggested time to devote to this task: 8-10 Weeks**

**Submission details:** Soft copy uploaded on Moodle

**Feedback:** Feedback will be given within 1 week after submission.

**Pre/In/beyond class:** Beyond class

**Class Participation and Discussion Forum**

**Weightage:** 10% (refer Rubric of evaluation at the end).

**Description:** all students are to participate in discussion in class and in the discussion initiated at discussion forum on Moodle.

**Expectation from students:** Be attentive and updated on current developments

**Suggested time to devote to this task:** 4-6 Week

**Submission details:** Soft copy upload on Moodle

**Feedback:** Feedback for online discussion will be given on Moodle.

**Pre/In/beyond class:** In and beyond class

**7. Session Plan**

Session	Topic/ Sub Topic	Reading Reference	Pedagogy	Session Learning Outcomes	CLO
1.	Introductory Session: Overview		<ul style="list-style-type: none"> <li>Class discussion</li> </ul>	At the end of session, the student will be able to familiarize themselves with the course outline, assessment and coverage.	
<b>MODULE 1: Financial Markets</b>					
2.	Indian Financial System <ul style="list-style-type: none"> <li>Introduction</li> <li>Components</li> <li>Functions</li> <li>Key elements of a well-functioning financial system</li> <li>Financial System and Economic Growth</li> </ul>	<ul style="list-style-type: none"> <li>Text, Ch 1 Page 3-8</li> <li>Text, Ch 2 Page 32-34</li> </ul>	<ul style="list-style-type: none"> <li>Class discussion</li> </ul>	At the end of session, the student will be able to conceptualize the structure of Indian Financial System and its role in economic growth.	1
3.	Money Market <ul style="list-style-type: none"> <li>Functions &amp; benefits</li> </ul>	<ul style="list-style-type: none"> <li>Text, Ch 4</li> </ul>	<ul style="list-style-type: none"> <li>Class Discussion</li> </ul>	At the end of session, the student will be able	2,4

	<ul style="list-style-type: none"> <li>• Instruments</li> </ul>	Page 45 – 46, 48-62	<ul style="list-style-type: none"> <li>• Newspaper discussion</li> <li>• Numerical questions</li> </ul>	to demonstrate an understanding of money market instruments and intermediaries	
4.	<p>Money Market</p> <ul style="list-style-type: none"> <li>• Instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Text, Ch 4 Page 63 - 78</li> </ul>	<ul style="list-style-type: none"> <li>• Class Discussion</li> <li>• Newspaper discussion</li> </ul>	At the end of session, the student will be able to demonstrate an understanding of money market instruments and intermediaries	2,4
5.	<p>Money Market</p> <ul style="list-style-type: none"> <li>• Link between money market and monetary policy in India</li> <li>• Tools for managing liquidity in the money market</li> </ul>	Text, Ch 4 Page 79-90	<ul style="list-style-type: none"> <li>• Class discussion</li> <li>• Newspaper discussion</li> </ul>	At the end of session, the student will be able to demonstrate an understanding of the relationship between money market and monetary policy.	2,4
6.	<p>Equity Primary Market</p> <ul style="list-style-type: none"> <li>• Intermediaries to an issue</li> <li>• Book building process</li> <li>• Bidding process</li> <li>• Determination of price</li> <li>• Allotment/Allocation</li> <li>• Anchor investor</li> </ul>	Text, Ch 6 Page 117-125	<ul style="list-style-type: none"> <li>• Class discussion</li> <li>• Newspaper discussion</li> </ul>	At the end of session, the student will be able to describe equity raising terms, practices and intermediaries involved.	2,4
7.	<p>Equity Primary Market</p> <ul style="list-style-type: none"> <li>• Auction-based book building</li> <li>• Reverse book building</li> <li>• Green shoe option</li> <li>• IPO entry norms</li> <li>• Allotment in IPO and FPO</li> <li>• Private placement, preferential issue, QIP</li> </ul>	Text, Ch 6 Page 127-137, 145-150	<ul style="list-style-type: none"> <li>• Class discussion</li> <li>• Newspaper discussion</li> </ul>	At the end of session, the student will be able to understand other primary market terms, entry norms and other methods of raising equity capital.	2,4
8.	<p>Equity Secondary Market</p> <ul style="list-style-type: none"> <li>• Functions</li> <li>• Organization and demutualization of stock exchanges</li> <li>• Listing of securities</li> </ul>	Text, Ch 8 Page 193-197, 201-203, 205-211	<ul style="list-style-type: none"> <li>• Class discussion</li> <li>• Newspaper discussion</li> </ul>	At the end of session, the student will be able to describe the role of secondary market intermediaries and	2,4

	<ul style="list-style-type: none"> <li>Trading rules, regulations and settlement</li> </ul>			develop an understanding of trading of stocks on stock exchange	
9.	<b>Equity Secondary Market</b> <ul style="list-style-type: none"> <li>Stock market index</li> <li>Listing categories</li> <li>NSCCL</li> <li>Other stock exchange: OTCEI, ICSEI, RSE, INDOnext</li> <li>Depositories and Custodians</li> </ul>	<ul style="list-style-type: none"> <li>Text, Ch 8 Page 213-215, 220, 229-230, 233-237.</li> <li>Text, Ch 18, Page 720-723, 725-727</li> </ul>	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Newspaper discussion</li> </ul>	At the end of session, the student will be able to understand index methodology and other types of stock exchanges and intermediaries.	2,4
10	<b>Debt Market</b> <ul style="list-style-type: none"> <li>Participants</li> <li>Types of instruments</li> <li>Primary &amp; Secondary segments</li> <li>Private corporate debt market</li> <li>PSU debt market</li> <li>Govt. securities market</li> </ul>	Text, Ch 10 Page 316-324, 329-332, 342-345	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Newspaper discussion</li> </ul>	At the end of session, the student will be able to demonstrate an understanding of players and segments of debt market in India.	2,4
11	<b>Debt Market</b> <ul style="list-style-type: none"> <li>Govt. securities market</li> </ul> <b>Derivatives Market</b> <ul style="list-style-type: none"> <li>Need &amp; types of financial derivatives</li> <li>Traders in derivatives market</li> </ul>	<ul style="list-style-type: none"> <li>Text, Ch 10 Page 353-354</li> <li>Text, Ch 9 Page 278-281, 288-290, 294</li> </ul>	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Newspaper discussion</li> </ul>	At the end of session, the student will be able to distinguish between different financial derivative instruments.	2,4
12	<b>Foreign Exchange Market</b>  <b>Real Estate Market</b>	<ul style="list-style-type: none"> <li>Handouts</li> <li>Handouts</li> </ul>	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Newspaper discussion</li> </ul>	At the end of session, the student will be able to explain clearly the functioning of foreign exchange market and describe real estate	2,4

				funds and REITS.	
<b>MODULE 2: Financial Services</b>					
13	<p>Commercial Banking</p> <ul style="list-style-type: none"> <li>Banking structure</li> <li>Mobilization, Lending &amp; Investment of funds</li> <li>Risk management in banks</li> </ul>	Text, Ch 13 Page 428-433, 434-443, 451-454	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Discussion on recent RBI guidelines for recognizing NPAs</li> </ul>	At the end of session, the student will be able to explain the core functions of a commercial bank and what are the different risks faced by a bank	3,4
14	<p>Commercial Banking</p> <ul style="list-style-type: none"> <li>Basel framework</li> </ul>	Text, Ch 13 Page 460-470	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Newspaper discussion</li> </ul>	At the end of session, the student will be able to demonstrate an understanding of Basel I,II and III guidelines	3,4
15	<p>Non-Banking Finance Companies</p> <ul style="list-style-type: none"> <li>Types of NBFCs and their working</li> <li>Important statutory provisions of RBI Act</li> </ul>	Text, Ch 13 Page 531-534, 538-542	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Newspaper discussion</li> </ul>	At the end of session, the student will be able to classify various NBFCs and list main provisions applicable to NBFCs	3,4
16	<p>Mutual Funds</p> <ul style="list-style-type: none"> <li>Mutual fund concepts</li> <li>Investors and organization of a mutual fund</li> <li>Types of schemes</li> <li>Risk and return in mutual funds</li> <li>How to invest in a scheme of mutual fund</li> </ul>	Text, Ch 15 Page 594-619	<ul style="list-style-type: none"> <li>Class discussion</li> <li>Case discussion (Text page 637)</li> </ul>	At the end of session, the student will be able to classify different mutual fund schemes and select a scheme for investment.	3,4
17	<p>Insurance</p> <ul style="list-style-type: none"> <li>Principles</li> <li>Insurance industry</li> <li>Intermediaries</li> <li>Bancassurance</li> <li>General insurance products</li> <li>Health insurance</li> <li>Life insurance products</li> </ul>	Text, Ch 16 Page 639-640, 643, 651-655, 659-660, 666-671, 679-681	Class discussion	At the end of session, the student will be able to understand the working of insurance company and different life insurance products offered by it.	3,4

18	Investment Banking <ul style="list-style-type: none"> <li>Types of investment banks</li> <li>Investment banking services</li> <li>Intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>Text, Ch 17 Page 704-707, 710-711</li> </ul>	<ul style="list-style-type: none"> <li>Class discussion</li> </ul>	At the end of session the student will be able to understand the structure and services of investment banking.	3,4
19	<ul style="list-style-type: none"> <li>Pension</li> <li>Credit Rating</li> </ul>	*Handouts, PFRDA website  *Text, Ch19 Page729-742	<ul style="list-style-type: none"> <li>Guest talk</li> </ul>	<ul style="list-style-type: none"> <li>At the end of session, the student will be able to understand and classify pension schemes.</li> <li>At the end of the session, the student will be able to express credit rating importance and process.</li> </ul>	3,4
20-23	Presentation			Students will be making individual presentation on their respective group projects.	4
24	Summing Up: Session dedicated towards learning integration & course feedback				

### Time budgeting in course planning:

Activity	Description	Time Budgeted
Classes	2-3 hours per week for 12 weeks	30 hours
Reading	Prescribed readings and making notes	30 hours
Preparation of quiz and set questions	Including shared and group exercises	20 hours
Study and revision for end of Trimester examination	Self-preparations	15 hours
<b>TOTAL</b>		105 hours

### References:

1. Indian Financial System by M.Y Khan, TMH, Seventh Edition,2008.



2. Financial Services by M.Y Khan, TMH, Fifth Edition 2008.
3. Financial Institutions and Markets by L.M Bhole and Jitendra Mahakud, TMH, Fifth Edition 2007.
4. Indian Financial System and Development by Vasant Desai, Himalaya Publishing House, Fourth Revised Edition, 2007.

**Internet Resources:** [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com), [www.rbi.org](http://www.rbi.org)

**Instructions:**

Students will be expected to maintain a daily log of their learning and make an action plan. The continuous evaluation tools would be implemented as per schedule and collected for evaluation.

Students are encouraged to visit videos available on Impartus, you tube on TED talks, and readings available at websites like course era, etc.

**Rubrics for Assessment Tasks**

**1. RUBRICS FOR QUIZ**

Poor Points 0-2	Fair Points 3-5	Good Points 6-8	Excellent Points 9 – 10
UNSATISFACTORY	MINIMAL	PROFICIENT	EXEMPLARY

**2. RUBRICS FOR WRITTEN PROJECT**

CRITERIA	DEVELOPING	APPROACHING PROFICIENCY	PROFICIENT	ADVANCED

**3. RUBRICS FOR PRESENTATION**

CRITERIA	DEVELOPING	PROFICIENT	ADVANCED

--	--	--	--

#### 4. RUBRICS FOR END TERM

Poor Points 0-2	Fair Points 3-5	Good Points 6-8	Excellent Points 9 – 10
UNSATISFACTORY	MINIMAL	PROFICIENT	EXEMPLARY

#### Institute’s Policy Statements

It is the responsibility of every student to be aware of the requirements for this course, and understand the specific details included in this document. It is emphasized that this course requires a significant commitment outside of formal class contact. The learning tasks in this course may include classes (lectures or seminars), required reading, the preparation of answers to set questions, exercises and problems, and self-study. In addition, students may be required to complete an assignment, test or examination.

#### LMS-Moodle/Impartus:

LMS-Moodle/Impartus is used to host course resources for all courses. Students can download lecture, additional reading materials, and tutorial notes to support class participation.

#### Late Submission

Assessment tasks submitted after the due date, without prior approval/arrangement, will be not be accepted. Requests for extension of time must be made with the faculty member concerned and based on Special Consideration guidelines.

#### Plagiarism:

Plagiarism is looked at as the presentation of the expressed thought or work of another person as though it is one's own without properly acknowledging that person.

Cases of plagiarism will be dealt with according to Plagiarism Policy of the institute. It is advisable that students should read **Section ... of Student Handbook** for detailed guidelines. It is also advisable that students must not allow other students to copy their work and must take care to safeguard against this happening. In cases of copying, normally all students involved will be penalized equally; an exception will be if the student can demonstrate the work is their own and they took reasonable care to safeguard against copying.