

Course Code	Course Name	Credits
26EC510	FINANCIAL INSTITUTION AND MARKET	04

### Course Objectives

- Familiarize with the structure, functions, and operations of major financial markets.
- To explain the mechanisms, regulations, and challenges of commodity, debt and foreign exchange markets.
- To understand of financial instruments, their issuance processes, and emerging innovations.
- To outline the roles and regulatory frameworks of development financial institutions.
- To analyze foreign capital flows, trends, and impact on the Indian financial system

### Learning Outcomes

Upon successful completion of this course it is intended that a student will be able to

- Describe the nature, functions, and key players (e.g., NSE, BSE, SEBI) across money, capital, forex, and derivatives markets.
- Evaluate the operations, regulations, and developmental hurdles in commodity and debt markets.
- Analyze issuance methods and risks of traditional and innovative financial instruments.
- Assess the contributions of institutions like NABARD, SIDBI, AMFI, and regulators (PFRDA, IRDAI) to financial intermediation.
- Examine forms of foreign capital inflow trends, and RBI/SEBI regulatory frameworks in India.

### Unit 1 – An Overview of Financial Markets (12Hrs)

Financial markets: nature and functions – Money market – Capital market – Forex market – Derivatives markets – Working of stock exchanges in India (NSE and BSE) – Role of SEBI – Major international stock markets.

### Unit 2 –Commodity Markets and Debt Markets (12Hrs)

Commodity markets: MCX, NCDEX, and ICEX – Functions, administration, regulations, and general mechanism – International commodity markets. Debt market: Types, functions, instruments – Operational mechanism – Hindrances to the development of debt market in India.

### Unit 3 – Financial Instruments (12Hrs)

Financial instruments – Issue of financial instruments: primary issue, book-building process, private placement, offer for sale, buyback of shares – Innovative financial instruments, cryptocurrencies (e.g., Bitcoin).

### Unit 4 – Development Financial Institution (12Hrs)

Development Financial Institutions: IFCI, NABARD, SFCs (State Financial Corporations) UTI, SIDBI. Mutual funds: AMFI, SEBI guidelines – Provident funds – Pension funds and PFRDA – Insurance companies and IRDAI.

### Unit 5 –Foreign Capital Flows (12Hrs)

Foreign capital flows: Forms of foreign capital – FDI and FPI – FIIs – International financial instruments (ADR, GDR, IDR, Eurobonds) – Role of foreign capital in the Indian financial system – Trends in foreign capital inflows to India – Regulatory framework.

### Reference Books:

1. Pathak, Bharati V. (2014): The Indian Financial System – Markets, Institutions and Services, Pearson Education.
2. Khan, M.Y. (2013): Financial Services, Tata McGraw-Hill Education
3. Gurusamy, S. (2015): Financial Markets and Institutions, Tata McGraw-Hill Education.
4. Machiraju, H.R. (2016): Indian Financial System, Vikas Publishing House
5. Varshney, P.N. & D.K. Mittal (2018): Indian Financial System, Sultan Chand & Sons

### Websites and eLearning Sources:

1. <https://hpuniv.ac.in/hpuniv/upload/uploadfiles/files/fin%20inst%20mkt.pdf>
2. <https://www.sultanchandandsons.com/book/663/financial-markets-and-institutions>
3. <https://www.phindia.com/Books/BookDetail/9788196378974/>
4. [https://baou.edu.in/assets/pdf/PGDF\\_103\\_slm.pdf](https://baou.edu.in/assets/pdf/PGDF_103_slm.pdf)

**COs and Bloom's Taxonomy Mapping – 26EC510**

<b>Course Outcomes</b>	<b>On successful completion of this course, students will be able to</b>	<b>BTL</b>
<b>CO1</b>	Recall and explain financial markets, functions, and SEBI's role.	K1, K2
<b>CO2</b>	Identify commodity, debt markets, and their regulations.	K1, K2
<b>CO3</b>	Describe financial instruments and issuance processes.	K2, K3
<b>CO4</b>	Analyze development institutions and mutual funds.	K4
<b>CO5</b>	Evaluate foreign capital flows and regulatory trends.	K5

BTL (Bloom's Taxonomy Level) - K1 – Remembering, K2 – Understanding, K3- Applying, K4 – Analyse, K5- Evaluate and K6 - Create

**Relationship Matrix – 26EC510**

<b>Course Outcomes</b>	<b>Programme Outcomes (POs)</b>						<b>Programme Specific Outcomes (PSOs)</b>					<b>Mean Score of Cos</b>
	<b>PO1</b>	<b>PO2</b>	<b>PO3</b>	<b>PO4</b>	<b>PO5</b>	<b>PO6</b>	<b>PSO1</b>	<b>PSO2</b>	<b>PSO3</b>	<b>PSO4</b>	<b>PSO5</b>	
<b>CO1</b>	3	2	1	1	1	1	3	2	2	3	2	1.91
<b>CO2</b>	3	2	2	1	1	2	3	2	3	3	3	2.27
<b>CO3</b>	3	3	2	2	1	2	2	3	3	2	3	2.36
<b>CO4</b>	3	3	3	2	2	2	3	3	3	3	3	2.73
<b>CO5</b>	3	3	2	2	3	3	3	3	2	3	3	2.76
<b>Total</b>												2.40

Mean Score: 3- High, 2- Medium/Moderate, 1-Low

