

M.A. 3rd Semester
Paper-310 (Option-vi)

Time : 3 Hrs.
Max. Marks : 100
External : 80
Internal : 20

FINANCIAL MARKETS AND INSTITUTIONS-I

- Note:** (i) Nine Question will be set in all and students will be required to attempt 5 questions.
(ii) Question No. 1 will be compulsory and will consist of 8 short answer type questions of 2 marks spread over the entire syllabus (2*8=16 marks).
(iii) For the remaining four questions, students will attempt 1 out of 2 questions from each of the four units (16 marks each).

Unit-I

Financial System

Meaning and Rationale of studying Financial System; Risk management in Financial Institutions; Risk management in Banks.

Interest Rate

Terms structure of Interest rate and Yield curve; Efficient Market Hypothesis.

Unit-II

Commercial Banking System

Meaning, Functions and Types of Commercial Banks ; Recent NPA Scenario in Indian Banking ; Banking sector reforms over last decade.

Central Banking System

Central Banking in India; Conduct of monetary policy in India; Role of RBI in Financial Stability and Financial inclusion.

Unit-III

Money Market

Introduction, Meaning and main characteristics of Money Market segments- Call Money Market, Treasury bill market, Commercial Papers Market, Certificate of Deposit Market, Gilt- edged Securities Market, Repo Market,

Functions and Importance of money market in India; Recent Developments in Indian Money Market; An introduction about Discounting services by DFHI and STCI.

Unit-IV

Capital Market

Meaning, Objectives, Importance and Functions of Capital Market; Financial instruments in primary capital Market; Characteristics and Functions of Stock Exchange.

Hedging with Financial derivatives- Futures, Options and Interest Swaps.

Reading List

- Bhasin, N. (2007), Banking and Financial System India 1947-2007, New Century Publications.
- Gupta,S.K , Aggarwal,N. and Gupta,N. (2005), Financial Institutions and Markets, Kalyani Publishers.
- Khan, M.Y.(2008) Indian Financial System. Tata McGraw Hill Company Ltd
- Mishkin, F.S and Eakins,S.G.(2009) Financial Markets and Institutions, (5th Edition) Dorling Kindersley.
- Bhole, L.M. and Mahakud, J.(2009), Financial Institutions and Markets-Structure, Growth and Innovations, Tata Mcgraw Hill.
- Madura, J.(2006) Financial Institutions and Markets (7th Edition), CENGAGE Learning.
- Fabozzi, F.J, Modigliani, F. Jones,F.J.and Ferri,M.G.(2009), Foundations of Financial Markets and Institutions, Dorling Kindesley.
- Mishkin, (2013) ‘ The economics of Money, Banking and Financial Markets’. 7e, Pearson Publications.
- Cecchetti, S.G. and Schoenholtz, K.L.(2013) , ‘Money , Banking and Financial Markets’ . 3rd edition. Tata McGraw Hill Company Ltd

- Bhole, L.M. (1999), Financial Institutions and Markets, Tata McGraw Hill Company Ltd., New Delhi.
- Bhole, L.M. (2000), Indian Financial System, Chugh Publications, Allahbad.
- Johnson, H.J. (1993), Financial Institutions and Markets, McGraw Hill, New York.
- Machiraju, M.R. (1999), Indian Financial Systems, Vikas Publishing House, New Delhi.
- Ohlson, J.A. (1987), The Theory of Financial Markets and Institutions, North Holland, Amsterdam.
- Prasad, K.N. (2001), Development of India’s Financial System, Sarup & Sons, New Delhi.
- Smith, P.F. (1978), Money and Financial Intermediation: The Theory and Structure of Financial System, Prentice Hall, Englewood-Cliffs, New Jersey.
- Chandra, P. (1997), Financial Markets, (4th Edition), Tata McGraw Hill, New Delhi.
- Machiraju, H.R. (1997), International Financial Markets in India, Wheeler Publishing, Allahbad.

- Bhatt, R.S. (1996), Unit Trust of India and Mutual Funds: A Study, UTI Institute of Capital Markets, Mumbai.
- Sahadevan, K.G. and M.T. Thiripalraju (1997), Mutual Funds, Prentice Hall of India, New Delhi.
- Goss, B.A. and B.S. Yamey (1978), The Economics of Futures Trading, Macmillan, London
- Gupta, L.C. (Ed.) (1999), India's Financial Markets and Institutions, Society for Capital Research and Development, Delhi.
- Crocker, A. (1982), International Money; Issues and Analysis, The English Language Book Society, Nelson, London.
- Niehans, J. (1994), International Monetary Economics, John Hopkins University Press, New York.
- Official websites of IMF, RBI, SEBI