

FINANCIAL SERVICES AND SYSTEMS

III Semester: MBA								
Course Code	Category	Hours / Week			Credit	Maximum Marks		
CMBB36	Elective	L	T	P	C	CIA	SEE	Total
		4	-	-	4	30	70	100
Contact Classes: 45		Tutorial Classes: Nil		Practical Classes: Nil		Total Classes: 45		
<p>OBJECTIVES:</p> <p>The course should enable the students to</p> <ol style="list-style-type: none"> I. Provide basic knowledge about the Finance concepts, markets and various services provided in those markets. II. Apply financial concepts, theories, and tools, and to evaluate the role of technology and the legal, ethical and economic environment as it relates to financial institutions. III. Enrich the information about the roles of intermediaries and its regulating bodies. IV. Understand factoring, leasing, venture capital concepts and aware on the importance of finance for economic well-being. <p>COURSE OUTCOMES(CO's):</p> <ol style="list-style-type: none"> 1. Gain knowledge about management of financial products and services. 2. Assess the importance of various traditional and modern financial services 3. Obtain an insight in the concept of leasing and ability to evaluate financially to make lease or buy decisions. 4. Assess the significance of hire purchase along with the tax and legal framework. 5. Estimate the relevance of factoring in the financing of the business and critically evaluate the financial aspects of factoring for decision making. 6. Identify the characteristics of Bill discounting and its legal aspects and realize the discount charges and effective interest rates. 7. Comprehend the notion behind Venture capital financing, its process and funding and entry strategies of venture capital financing. 8. Recognize and use the valuation of venture capital financing methods in the start-up business along with the regulatory frame work. 9. Ascertain the process of merchant banking, new issue management, initial public offering, SEBI guidelines relating to new issues of securities. 10. Demonstrate the concept of credit rating, symbols and grades, and its advantages. 								
UNIT-I	FINANCIAL SYSTEM						Classes: 08	
Financial system: growing importance of financial services in financial system, classification traditional and modern view, fund based and non fund based services, financial engineering, need for innovation, new financial products and services, an overview of Indian financial services sector scenario.								
UNIT-II	CONCEPT OF LEASING						Classes: 09	
Concept of leasing: classification, rationale, advantages of leasing, legal aspects, lease documentation and contract, tax and accounting aspects of leasing, financial evaluation of leasing, net present value (NPV) and internal rate of return (IRR) approaches, break even lease rental, lease v/s buy decisions hire purchase concept and features, legal and tax frame work, financial evaluation of hire purchase, hire purchase mathematics, flat and effective interest rates.								

UNIT-III	FACTORING	Classes: 10
<p>Factoring concept and features, classification, functions of factor, legal aspects, financial evaluation of factoring, decision analysis for factoring, factoring scenario in India, kalia sundaram committee.</p> <p>Reserve bank of India(RBI) guidelines, bill discounting, concept and characteristics, process of bill discounting, legal aspects, parties involved and their legal obligations, financial aspects, calculation of discount charges and effective interest rates.</p>		
UNIT-IV	VENTURE CAPITAL FINANCING	Classes: 09
<p>Venture capital financing, concept and features, venture capital funding process, funding and entry strategies of venture capital financing, structuring of venture capital financing, valuation of venture capital financing conventional valuation method, first Chicago method, revenue multiplier method, exit strategies of venture capital financing ventures capital financing scenario in India, regulatory frame work of venture capital financing.</p>		
UNIT-V	MERCHANT BANKING	Classes: 09
<p>Merchant banking concept and evolution, functions of merchant banking, eligibility norms, lead manager, underwriter, brokers and bankers to issue, registrar, portfolio managers, new issue management process and stages involved pricing of public issues, book building process, green shoe option initial public offering promoter's contribution, preferential issues, SEBI guidelines relating to new issues of securities, credit rating concept and advantages of ratings, types of ratings, symbols of ratings and grades.</p>		
Text Books:		
<ol style="list-style-type: none"> 1. Meir Kohn, "Financial Institutions and Markets" Oxford University Press, 2nd Edition, 2009. 2. Khan. M.Y, "Financial Services Tata McGraw-Hill, Pvt. Ltd.," , 5th Edition 2010. New Delhi. 3. Gordon and Natarajan, "Financial Markets and Services", HPH, 7th Edition 2009, Mumbai. 		
Reference Books:		
<ol style="list-style-type: none"> 1. Vasant Desai, "Financial Markets and Financial Services", HPH, 1st Edition, 2009, Mumbai. 2. PunithavathyPandian, "Financial Services and Markets", Vikas Publishing House, 2009. 3. Mishkin. F.S. and Eakins. S.G., "Financial Markets and Institutions", Pearson Education. 5th Edition, 2006. 4. Harold L Vogel, "Financial Markets Bubble and Crashes", Cambridge, 1st Edition, 2009. 		
Web References:		
<ol style="list-style-type: none"> 1. https://www.scribd.com/document/184434634/45790874-mba-3-sem-finance-notes-bangalore-university. 2. http://www.slideshare.net/venkykk/fifm-2013-final-financial-institutions-and-notes-as-per-bput-syllabus-for-mba-2nd. 		
e-text books:		
<ol style="list-style-type: none"> 1. http://iimsnepal.com/download/e%20book%20materials/mba%20ebook%20material/mba%203rd%20semester%20ebook%20materials/dmgt512_financial_institutions_and_services.pdf. 2. http://www.ddegjust.ac.in/studymaterial/mba/fm-404.pdf. 		