



FINANCIAL INSTITUTIONS AND MARKETS

PROF. JITENDRA MAHAKUD

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INTENDED AUDIENCE : Economics, Commerce and MBA Finance students

INDUSTRIES APPLICABLE TO : Financial Consulting Companies, Regulatory Bodies like RBI, SEBI, IRDA, PFRDA

COURSE OUTLINE :

This course will provide an understanding of the functions, and operations of the financial markets and institutions operating in India. It explains the role of financial system on economic development. Various conceptual issues related to risk and return, the role of regulatory bodies, mechanism of commercial banking, operations of insurance companies and mutual funds are discussed elaborately. It also describes the importance of small savings, provident funds, pension funds and credit rating agencies. The course provides a comprehensive overview and systematic evaluation of the mainstream markets of various financial instruments such as call money, bond, stock, derivatives and exchange rate.

ABOUT INSTRUCTOR :

Prof. Jitendra Mahakud is Professor of Economics and Finance at the Department of Humanities and Social Sciences, Indian Institute of Technology Kharagpur. He is also a joint faculty at the Vinod Gupta School of Management, IIT Kharagpur, in the area of finance. He obtained his PhD from the Indian Institute of Technology, Mumbai. He has published more than 50 papers in leading national and international journals. He has co-authored a book titled Financial Institutions and Markets: Structure, Growth and Innovations published by McGraw Hill Education. He has edited two books one on Advances in Research in Business and Finance (Corporate Finance) and the other on Advances in Research in Business and Finance (Investment Management). His areas of teaching and research include financial markets and institutions, corporate finance, investment management, financial economics, behavioural finance and commercial banking.

COURSE PLAN :

Week 1 : Introduction to Financial System and Economic Development
Indicators of Financial Development

Week 2 : Concepts Related to Financial Markets and Institutions

- Concept of Risk
- Concept and types of return and yield
- Asset Pricing Models
- Valuation of Assets

Week 3 : Theories of Level and Structure of Interest Rates

Week 4 : Financial Regulations and Regulatory Institutions in India
(RBI, SEBI, IRDA, PFRDA)
Operating Procedures of Monetary Policy
Corporate Governance and SEBI

Week 5 : Commercial Banking

- Role of Banks
- Banks' Financial Statement
- Banks' Computation
- International Banking
- NPA
- Risk Management in Banking

Week 6 : Other Important Financial Institutions – I
(Provident Fund, Pension Fund, Insurance Companies)

Week 7 : Other Important Financial Institutions – II
(Mutual Fund, Credit Rating Agencies, Merchant Bank, Venture Capital Funds)

Week 8 : Money Markets in India

(Call Money Market, Treasury Bill, Commercial Paper, Certificate of Deposit)

Week 9 : Bond Market

- Bond Features
- Bond Price Volatility
- Government Security Market
- Corporate Bond Market
- Public Sector Undertaking Bonds

Week 10 : Classification of Stock Market and Securities

- IPO
- Stock Exchanges
- Stock Market Indices
- Market Micro-Structure in Stock Market

Week 11 : Derivatives Market

- Types of Derivatives
- Important Concepts used in Derivatives Market
- Pricing of Futures, Options and Swaps

Week 12 : Foreign Exchange Market

- Foreign Exchange Market Structure
- Risk Management in Foreign Exchange Market
- Exchange Rate Determination
- Foreign Capital – FDI & FII
- Central Bank Intervention in Foreign Exchange Market