

Mahatma Education Society's
Pillai College of Arts, Commerce & Science (Autonomous)
Affiliated to University of Mumbai

'NAAC Accredited 'A' grade (3 cycles)
'Best College Award' by University of Mumbai
ISO 9001:2015 Certified



SYLLABUS

Program: B.Com. Financial Markets

F.Y. B.Com. Financial Markets

PCACS/BFM/SYL/2024-25/FY

**As per National Education Policy
Choice Based Credit & Grading System**

Academic Year 2024-25



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BOARD OF STUDIES B.COM. FINANCIAL MARKETS

Sr. No.	Name of the members	Designation	Signature
1	Dr. JenniePrajith	Chairperson (Head of the Department of B.Com. Financial Markets)	
2	Ms. Bhavana Parab	Faculty Specialization	
3	Ms.Ancy Kuttappan	Faculty Member	
4	CA Aarti Patki NMIMS University Kharghar	Subject Expert 1 From Outside Parent University	
5	Mr. Gaurav Shetty NMIMS University Kharghar	Subject Expert 2 From Outside Parent University	
6	Dr. Kuldeep Sharma - Associate Professor K.P.B Hinduja College- Charni Road	Subject Expert 3 Vice Chancellor Nominee	
7	Mr. Ashutosh Chavan RBL Bank	Meritorious Alumnus-	
8	Dr. Nitin Tike Sr.Vice President NISM	Industry Representative (Industry/Corporate/ Allied Sector)	

9	Dr. Gajanan Wader	Principal	
10	Mrs. Deepika Sharma	Vice Principal	

1. Introduction

Financial markets enable the money flow from the net savers to organizations or corporations. Savers save the money from the income they earn and invest in the corporations that require money in their projects. Hence financial markets are essential in making the economy healthy and sound. To keep in lieu with the above objective, the B.Com Financial Markets programme aims at building in students an understanding about the functioning and premise of the financial market. In order to achieve this, the programme offers opportunities to students to know different needs and the future requirements of the financial industry to equip them with the most contemporary skills and knowledge required to capitalize on forthcoming opportunities in the financial market. The programme is comprehensive in nature, covering all major areas of financial markets viz., equity, debt, mutual funds, equity derivatives, currency derivatives, commodities etc. The programme seeks to achieve an ideal blend of relevant academic knowledge and its application to financial markets.

2. Programme Outcomes for B. Com. Financial Markets

Sr. No	PO Title	PO in brief
PO1	Business knowledge	Demonstrate knowledge of the basic concepts used in different business-related areas like Accounting, Taxation, Auditing, Banking, Marketing, Finance and Entrepreneurship.
PO2	Communication	Communicate effectively in the complex business situation by being able to comprehend, write effective reports, design documents, make effective presentations, and to give and receive clear instructions.
PO3	Ethics	Apply ethical principles and norms of business practices.
PO4	Individual and team work	Function effectively and as an individual and as a member or leader in multi-disciplinary settings.
PO5	Commerce Graduate and Society	Apply contextual knowledge to assess societal, health, safety, legal, and cultural issues relevant to professional business practice and devise solutions to complex business problems.
PO6	life- long learning	Ability to arrange in independent and life -long learning in the broadest context of business change.
PO7	Usage of Modern Tools	Develop skills through accounts and information technology software and value-based courses to fulfill industry requirement
PO8	Environment & Sustainability	Relate to environmental management and sustainable development

3. Programme Specific Outcomes for B. Com. Financial Markets Programme.

PSO-1	Students will acquire skills needed to develop and simulate live market conditions, trading, and investment software so that they are market-ready.
PSO-2	Comprehensive training to students in the field of Financial Market by way of interaction, projects, presentations, industrial visits, practical training, job orientation, and placements.
PSO-3	Students are inculcated with aspirations to make a career in the ever-evolving and growing field of the Financial Market.
PSO-4	Students would be able to perceive higher professional education and research work related to Financial Market

Course Structure

Semester I						
Course Code	Course Type	Course Title	Theory/ Practical	Marks	Credits	Lectures/ Week
PUCFM101	MAJOR	Financial Accounting	Theory	100	4	4
PUCFM102	MAJOR	Introduction To Financial Markets	Theory	100	4	4
PUCFM103	Discipline Minor	Financial Mathematics	Theory	100	4	4
PUCFM104	SEC (Flipped Classroom)	Introduction To Managerial Economics	Theory	100	2	2
PUAEC101	AEC	Effective Communication Skills	Theory	100	2	3
PUVAC102	VAC	To Be Taken From Pool	Theory	100	2	3
PUIKS101	IKS	General Iks-I	Theory	100	2	3
PUIDC10	IDC	Basics Of Stock Trading - I (Ge)	Theory	100	2	3
TOTAL				800	22	26
Field Project to be done as part of continuous evaluation						

Abbreviations:

SEC: Skill Enhancement Course

AEC: Ability Enhancement Course

VAC: Value Added Course

IKS: Indian Knowledge System

IDC: Interdisciplinary Course

Semester II						
Course Code	Course Type	Course Title	Theory/Practical	Marks	Credits	Lectures/Week
PUCFM201	MAJOR	Fundamentals Of Investment	Theory	100	4	4
PUCFM202	MAJOR	Indian Banking & Insurance System	Theory	100	4	4
PUCFM203	Discipline Minor	Financial Statistics	Theory	100	4	4
PUCFM204	SEC (Flipped Classroom)	Behavioural Finance	Theory	100	2	2
PUAEC20	AEC	To Be Taken From Pool	Theory	100	2	3
PUVAC20	VAC	To Be Taken From Pool	Theory	100	2	3
PUIKS20	IKS	General IKS	Theory	100	2	3
PUIDC20	IDC	To Be Taken From Pool	Theory	100	2	3
Field Project to be done as part of continuous evaluation						
TOTAL				800	22	26

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SEC: Skill Enhancement Course

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Evaluation Pattern

Continuous Assessment Evaluation		
Continuous Assessment I – Written Exam	Marks	Marks
Q.1) 10 Objective Questions ½ Mark each	5 Marks	
Q.2) 5 Concept based Questions 1 Marks each	5 Marks	
Q.3) 2 Questions of 5 Marks each (In theory subjects, 2 theory questions and in practical subjects 2 practical questions of 5 Marks each or 1 Question of 10 Marks to be asked)	10 Marks	20 Marks
Continuous Assessment II -		
Project/Presentations/Viva		15 Marks
Active Participation		5 Marks
Total		40 Marks

Semester End Written Exam		
Question	Marks	Marks
Q. 1) a) and b) or Q. 1) c) and d)	7 Marks and 8 Marks or 7 Marks and 8 Marks (15 Marks Question can be asked in Practical Subjects)	15 Marks
Q. 2) a) and b) or Q. 2) c) and d)	7 Marks and 8 Marks or 7 Marks and 8 Marks (15 Marks Question can be asked in Practical Subjects)	15 Marks
Q. 3) a) and b) or Q. 3) c) and d)	7 Marks and 8 Marks or 7 Marks and 8 Marks (15 Marks Question can be asked in Practical Subjects)	15 Marks
Q. 4) a) and b) or a), b) and c)	Case Study - 2 Questions of 7 Marks and 8 Marks or Case Study - 3 Questions of 5 marks each	15 Marks
Total		60 Marks

General Electives	
Particulars	Marks
100% Practical Evaluation in the form of Project/Quiz/Case Study/Analysis/Survey	100 marks divided around various evaluation

SEMESTER I

BOS	B.Com. Financial Markets
Class	F.Y.B.Com. Financial Markets
Semester	I
Course name	Financial Accounting
Course Code	PUCFM 101
Course Type	Core
Course Credit	4
Level	Major

Course Objectives:

1. The recording and control of business transactions.
2. Preparing financial statements in accordance with appropriate standards.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	Introduction to Accounting & Accounting Process	1.1	Definition, meaning and scope of Accounting, Accounting Concepts, Principles and Conventions.	15
		1.2	Disclosure of Accounting Policies, Treatment of Capital and Revenue expenditure and receipts	
		1.3	Financial Accounting framework- Journal entries, Ledger Posting, Trial Balance	
2	Accounting for Shares & Debentures	2.1	Issue of Shares at par, premium and discount	15
		2.2	Forfeiture and reissue of shares	
		2.3	Accounting treatment of debentures (issue & redemption)	
3	Introduction to Accounting Standards Vs. Ind AS and IFRS	3.1	Accounting treatment of debentures (issue & redemption)	15
		3.2	Concept and Objectives of Ind AS	
		3.3	Concept and objectives of International Financial Reporting Standards	
4	Introduction to Corporate Financial Statements	4.1	Introduction to Financial Statements	15
		4.2	Preparation of Statement of Profit & Loss and Balance Sheet as per Companies Act, 2013	
Total lecture				60

COURSE OUTCOME: By the end of the course the student will be able to

CO 1- Recall the Golden rules of accounting

CO 2 -Illustrate the process of maintaining books of accounts as per double entry system

CO3 -Identifying the difference between Final Accounts of Sole Proprietor & Partnership firm

CO 4 -Classify accounting treatment for share and debentures

CO 5 -Categorize various items of expenses & income to be posted in profit & loss Account & Balance sheet

CO 6 -Evaluate Final Statements as per Companies Act, 2013

Reference Books:

1. Financial Accounting by V Rajasekaran, Pearson Publications New Delhi
2. Financial Accounting by P.C. Tulsian Pearson Publications New Delhi
3. Introduction to Accountancy by T.S. Grewal, S. Chand and Company (P) Ltd., New Delhi
4. Advance Accounts by Shukla & Grewal, S. Chand and Company (P) Ltd., New Delhi
5. Advanced Accountancy by R. L Gupta and M Radhaswamy, S. Chand and Company (P) Ltd., New Delhi
6. Financial Accounting for Management by Dr. Dinesh Harsalekar, Multi-Tech. Publishing Co. Ltd., Mumbai

Case studies:

Mr. Raj is an individual investor who holds Debt investments in HUL Ltd. He follows AS-13 for accounting purposes. At the end of the financial year, Mr. Raj needs to account for his investments as per the standard. On 1-1-2022 Mr.Raj had 2,000 8 % Debentures of Rs 100 each of HUL Ltd at a cost of Rs 1, 82,000. Interest is payable on 31-12

- 1-4-2022 500 Debentures were purchased @ Rs 98 each cum-interest.
- 1-9-2022 400 Debentures were sold @ Rs 96 each ex-interest.
- 1-10-2022 900 Debentures were sold @ Rs 99 each cum-interest.
- 31-12-2022 200 Debentures were purchased @ Rs 95 each ex-interest.

Mrs. Gupta is an individual investor who holds equity investments in various companies. She follows AS-13 for accounting purposes. At the end of the financial year, Mrs. Gupta needs to account for his investments as per the standard. Following transactions of purchase and sale of Equity shares of TATA Ltd having paid-up value of Rs 10 per share.

Date	No. of shares	Terms
1-04-2021	1,000	Buy @ Rs 10 per share
15-05-2021	800	Buy @ Rs 25 per share
20-05-2021	600	Buy @ Rs 22 per share
25-07-2021	400	Bonus shares received
20-12-2021	600	Sale @ Rs 35 per share
1-02-2022	1,300	Sale @ Rs 14 per share

Additional information

1. On 07th September 2021 dividend @ Rs 3 per share was received for the year ended 31st March, 2022.
2. On 25th October 2021 the company makes the right issue of equity shares in the ratio of one share for five shares held on payment of Rs. 13 per share. He subscribed to 50% of the shares .

BOS	B.Com. Financial Markets
Class	F.Y.B.Com. Financial Markets
Semester	I
Course name	Introduction to Financial Markets
Course Code	PUCFM102
Course Type	Core
Course Credit	4
Level	Major

Course Objectives:

1. To provide an understanding of Financial Markets in India
2. To give an overview of the importance of financial markets and regulators in India.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	Overview of Financial markets	1.1	Kautilya's Arthashastra, an ancient Indian treatise on statecraft, economic policy, and military strategy. Explore its relevance to modern financial markets, studying principles of taxation, trade, and governance, and their implications for contemporary economic policy-making.	15
		1.2	An introduction to the financial system, overview of financial system-,Functions of a financial system-Components of Financial System Classification of financial markets- Financial markets and their economic functions.	
2	Financial Markets-I	2.1	Capital markets -Meaning -features-classifications -importance-participants-instruments	15
		2.2	Money Market - Meaning-features-importance-participants-instruments.	
		2.3	Equity Market Meaning-features-importance-participants-instruments. DebtMarket -Meaning-features-importance-participants-instruments.	15
3	Financial Markets-II	3.1	Foreign Exchange Market - Meaning-features-importance-participants-instruments	15
		3.2	Commodity Market - Meaning-features-importance-participants-instruments	
		3.3	Derivative Market - Meaning-features-importance-participants-instruments	
4	Financial	4.1	Meaning and features of financial regulators	15

	Regulators	4.2	Role and functions of financial regulators	
		4.3	Kinds of financial regulators, markets regulated by each regulator	
TOTAL LECTURES				60

Course Outcome:

- CO1: Outline the functions, components and classification of financial markets.
CO2: Examine the different features, significance and instruments of various markets.
CO3: Identify the role of regulatory framework in different markets and its overall impact.
CO4: Analyze the scope of financial markets as an important investment avenue.
CO5: Evaluate different categories of financial markets in the context of its instruments
CO6: Discuss the objectives of regulators and markets with respect to investment decisions.

References:

1. Gordon E. & Natarajan K. Financial Markets & Services, Himalaya Publishing House.
2. Indian Financial System, Machiraju.R.H, Vikas Publishing House.
3. Indian Financial System, Khan M.Y Tata Mcgraw Hill.
4. Financial Institutions and Markets, Bhole L.M, Tata Mcgraw Hill.
5. The Indian Financial System, Desai, Vasantha Himalaya Publishing House

Case studies

The Tech Bubble Burst (2000)

In the late 1990s, the financial markets experienced an unprecedented surge in technology-related stocks. This period, often referred to as the "dot-com bubble," was characterized by skyrocketing valuations of technology companies, many of which had yet to turn a profit. Investors were pouring money into these companies based on the promise of the internet and the potential for exponential growth. This case study explores the events leading up to the bursting of the tech bubble in the early 2000s and its implications on financial markets. Tech Companies: Prominent technology companies during this period include Amazon, Yahoo, Cisco, and many startups. Investors: Institutional investors, retail investors, and day traders were all actively participating in the tech stock frenzy. Regulators: The U.S. Securities and Exchange Commission (SEC) and other regulatory bodies were monitoring market activities. 1990s - Late 1990s: Technology companies enjoyed unprecedented stock price growth, driven by the belief in the internet's transformative power and the absence of profitability requirements for many startups. March 2000: The Nasdaq Composite Index, heavily weighted towards tech stocks, reached its peak at over 5,000 points. April 2000: Signs of trouble emerged as several tech companies reported earnings misses and revised growth forecasts downward. Late 2000 - Early 2001: The dot-com bubble burst as investors started to realize that many tech companies were overvalued, leading to a mass selloff. 2001 - 2002: Stock prices of many tech companies plummeted, resulting in significant losses for investors.

Overvaluation: The case explores the factors that led to the extreme overvaluation of tech stocks, including speculative behavior and a lack of fundamental analysis. Investor Behavior: It examines the psychology of investors during the bubble and how fear and greed influenced their decision-making. Regulatory Response: The role of regulators in monitoring and addressing the bubble's aftermath is analyzed, including changes in reporting requirements and regulations. Market Correction: The bursting of the tech bubble resulted in a significant market correction, with the Nasdaq losing over 75% of its value from its peak. Economic Impact: The case discusses the broader economic impact of the bubble burst, including job losses in the tech sector and the effects on retirement savings. Long-Term Effects: It explores how the burst of the tech bubble affected investor sentiment, leading to greater caution in subsequent market booms. Lessons Learned: The case concludes by highlighting lessons learned from the dot-com bubble and how they shaped future investment strategies and market regulations.

Case Study: The Indian Financial Markets Transformation

In recent years, India has been experiencing significant changes in its financial markets. These changes include regulatory reforms, technological advancements, and evolving investor behaviors. Regulators: The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI), responsible for overseeing and regulating the securities and banking sectors, respectively.

Financial Institutions: Banks, brokerage firms, asset management companies, and non-banking financial institutions (NBFCs) operating in India. Investors: Individual investors, institutional investors, foreign investors, and retail traders participating in the Indian markets. Indian financial markets were characterized by a mix of traditional and modern elements, with regulatory reforms gradually being introduced. A pivotal year marked by significant changes in India's financial markets.

Digital Transformation: The rapid digitization of the financial sector in India, including the growth of online trading platforms, digital wallets, and the adoption of block chain technology. Regulatory Reforms: the regulatory changes and initiatives implemented by SEBI and RBI to modernize and streamline the financial markets, enhance investor protection, and encourage foreign investment. Challenges and Opportunities analyzes the challenges faced by market participants, such as cyber security threats and market volatility, as well as the opportunities presented by a more accessible and efficient financial ecosystem. The Indian financial markets witness increased participation from retail investors, driven by the ease of access provided by digital platforms. The adoption of technology and regulatory reforms contribute to improved market efficiency and transparency. India becomes a more attractive destination for foreign investment, leading to greater foreign portfolio and direct investment. The regulatory framework becomes more robust, with increased focus on preventing fraud and ensuring investor protection.

BOS	B.Com. Financial Markets
Class	F.Y.B.Com. Financial Markets
Semester	I
Course name	Financial Mathematics
Course Code	PUCFM103
Course Type	Core
Course Credit	4
Level	Discipline Minor

Course Objectives::

1. To develop the students to deal with numerical ability in finance.
2. To remove the complexities in mathematical applications in banking sectors.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	Proportion and Partnership	1.1	Ratio, Continued Ratio, Inverse Ratio	15
		1.2	Proportion, Direct Proportion, Indirect Proportion, Continued Proportion, Joint variation	
		1.3	Problems in Partnerships	
2	Profit / Loss and Commission/ Brokerage	2.1	Trade Discount, Cash Discount	15
		2.2	Profit or Loss	
		2.3	Commission, Brokerage	
3	Interest and Annuity	3.1	Simple Interest	15
		3.2	Compound Interest	
		3.3	Annuity	
		3.4	Sinking Fund	
		3.5	Equated Monthly Installment	
4	Functions, Derivatives and Its Applications	4.1	Functions used in business and finance	15
		4.2	Derivatives and its rules	
		4,3	Applications of Derivatives in Economics	
TOTAL LECTURES				60

Course Outcomes: By the end of the course the student will be able to:

- CO 1 - Understand the difference between Fractions, Divisions, Ratio and Proportions.
CO 2 - Define and Calculate Profit / Loss using different types of discounts.
CO 3 - Understand the different types of commission and the ways to calculate them
CO 4 - Evaluate interest and annuity and calculate the Equated Monthly Instalments using Flat Interest and Reducing Balance.
CO 5 - Define mathematically the concepts and uses of various economic functions.
CO 6 - Create and Interpret the diagrammatic representation of various economic functions.

References:

1. Business Mathematics -by Cheryl Cleaves and Margie Hobbs published by Hall.
2. Business Mathematics- by Dr Padma lochan Hazarika published by Chand.
3. Mathematical Statistics -by Roy Sharma and Choudhary.
4. An elementary introduction to mathematical finance by Sheldon M. Ross.
5. An Undergraduate Introduction to Financial Mathematics by J. Robert Buchanan, 2006
6. Introduction to Stochastic Calculus Applied to Finance Bernard Lapeyre, 1992
7. Financial Mathematics For Actuaries (Third Edition) Yiu Kuen Tse, 2010

Case studies

Machine X costs Rs.5000 and has a useful life of 4 years. Machine Y costs Rs.4000 And has a useful life of 3 years. Machine X is supposed to generate an annual saving of Rs.2800 while machine Y is supposed to generate an annual saving of Rs.3000

Assume that the time value of money is 10% p.a

A person has taken a loan of Rs. 400000 from a money lender who charges a high interest at 10% per month. The person returns the loan in equal instalments in 4 months

BOS	Business Economics
Class	F.Y. B.Com. Financial Markets
Semester	I
Subject Name	Introduction to Managerial Economics
Subject Code	PUCFM104
Course Type	(SEC) Skill Enhancement Course

Course Objectives:

1. To give the students a thorough understanding of the principles of economics that apply to the decisions of both consumers and producers.
2. To give the students a knowledge of product markets and factor markets and the role of government in promoting greater efficiency and equity in the economy.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	How Markets Work?	1.1	What is Economics? Microeconomics vs Macroeconomics Why Should Business Students Learn Microeconomics?	10
		1.2	Market Economies, Production Possibility Frontier, The Demand Curve & Factors that Affect Demand	
		1.3	The Supply Curve & Factors that affect Supply	
2	Demand, Supply and Equilibrium	2.1	The Equilibrium, Divergence from the Equilibrium Price	10
		2.2	Effects of changes in business environment on the equilibrium	
		2.3	Price Elasticity of Demand and Supply, Income Elasticity and Cross Price Elasticity	
3	Production & Cost Analysis	3.1	The Production Function, Behaviour of Average and Marginal Products, Law of Diminishing Returns	10
		3.2	Productivity in the Long Run, Scale and Scope of Production, Costs of Different types	
		3.3	Behaviour of average and marginal costs, Relationship between costs and productivity, Costs in the long run	
4	Market Structure	4.1	Markets of Different types, Perfectly Competitive Market, Profits in a perfectly competitiveMarket, Perfect competition in the long run	10

		4.2	Monopoly, Profits in a monopolistic market, Sources of Monopoly Power, The Multi-product firms, Monopolistic Competition	
		4.3	Oligopoly, Different Models of Oligopoly, Why do markets Fail, Game Theory: A strategic understanding	
Total number of Lectures				40

Course Outcome: By the end of the course student will be able to:

1. Describe the scope of Managerial economics.
2. Explain demand analysis in the context of business decision making.
3. Examine Elasticity of supply and demand, taxes, and subsidies
4. Analyse the Opportunity costs, different cost concepts, planning for the future
5. Evaluate Pricing and selling decisions with different types of competitive pressures
6. Create a thought process to analyse different pricing methods used in business decision making.

Reference Books:

1. Microeconomic Theory: KPM Sundharam. M.C. Vaish (Sultan. Chand Publication)
2. Managerial Economics: Dr. D.M. Mithani (Himalaya Publishing House)
3. Business Economics: Dr. R.L. Varshney, Dr. K.L. Maheshwari, Dr. R.K. Maheshwari (Sultan Chand and Sons)
4. Managerial Economics: P.L. Mehta (Sultan Chand Publication)
5. "Managerial Economics & Business Strategy" by Michael R. Baye and Jeff Prince
6. Managerial Economics in a Global Economy" by Dominick Salvatore

Case studies
<p>Case Study 1: Craft Beer Boom Market Economy: Craft breweries compete freely, setting prices based on consumer demand. Production Possibility Frontier: A brewery can focus on high-volume lagers (efficiency) or smaller batches of unique beers (specialization). Demand Curve: A rise in consumer income could shift the demand curve for craft beers upwards.</p>
<p>Case Study 2: Farmer's Market (Market Economies & Demand) Market Economy: Farmers sell directly to consumers, eliminating middlemen. Prices adjust based on supply and demand. Demand: A sudden influx of tourists at the market might increase demand for fresh produce, causing price adjustments.</p>
<p>Case Study 3: Bakery (Production Possibility Frontier & Demand) Production Possibility Frontier: The bakery can only produce a certain amount of bread and pastries daily due to limited resources like ovens. Demand: A nearby coffee shop opening might increase demand for pastries, forcing the bakery to choose between producing more pastries or maintaining bread production.</p>

SEMESTER II

BOS	B.Com. Financial Markets
Class	F.Y.B.Com. Financial Markets
Semester	II
Course name	Fundamentals of Investment
Course Code	PUCFM201
Course Type	Major

Course Objectives:

1. To provide an understanding on Principles of Investment in Financial Markets.
2. To give them an insight into the basics of Investment.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	Introduction to Investment	1.1	Introduction to IKS, Financial concepts in IKS, IKS and Modern Finance	15
		1.2	Meaning of investment Investment decision process Savings Vs Investments Investment objectives SMART Goals.	
		1.3	Types of Investments , Sources of Investment, Information-Asset Class for investment	
2	Investment Risks Environment	2.1	Types of Investment risks Profiling product as per risks and tenure- profiling of investors.	15
		2.2	Asset Allocation-Base of investing- Types of asset allocation strategies	
3.	Investment Return Analysis	3.1	Determinants of Required rate of return -Time Value of Money- Time value for more than one cash flow,	15
		3.2	Techniques of Discounting & Compounding, Place of Liquidity in investment decisions	
		3.3	Introduction to Net Present Value(NPV), Internal Rate of Return (IRR), Relevance of NPV & IRR	
4	Macro Economic Indicators	4.1	Financial Statement Analysis Financial Ratios – Computation and Application	15
		4.2	Macro-Economic Indicators	

Course Outcomes

CO1 - Identify different types of Investment evaluations in Financial Markets

CO2 - Examine the different investment objectives, process, asset class and sources of investment

CO3- Identify the risk associated with investment and allocating the investment strategies depending on risk

profile of investor

CO4- Analyse investment portfolio on return analysis basis using different statistical methods

CO5- Evaluate the performance of the investment on the basis of financial statement analysis and indicators

CO6- Stimulate critical thinking in designing investment portfolio for investor

Reference books:

1. Bharti V. Pathak, "The Indian Financial System", Pearson Education [India] Ltd.
2. V. K. Bhalla, "Investment Management", New-Delhi, Sultan Chand & Sons Publication, 10th Edition, Year 2004.
3. Prasanna Chandra, "Investment analysis & Portfolio Management", New-Delhi, the McGraw Hill Company Ltd. 6th edition, year 2006.
4. Panithavathy Pandian, "Securities Analysis and Portfolio Management", New- Delhi, Vikash Publishing House Pvt. Ltd. Year 2005.
5. M. Ranganathan & R. Madhumahi, "Investment Analysis and Portfolio Management". Pearson Education [India] Ltd

Note: Description about the new unit

- **Introduction to IKS:** Briefly introduce the concept of IKS, highlighting its emphasis on ethics, sustainability, and long-term planning.
- **Financial concepts in IKS:** Discuss relevant texts like Chanakya's Arthashastra, which provide guidance on investment,(dharma) or righteous conduct, social responsibility, and creating a sustainable source of income.
- **IKS and Modern Finance:** Draw parallels between IKS principles and modern investment concepts like risk management, diversification, and long-term wealth creation.

Case Studies

A company needs Rs.12 lakhs for the installation of a new factory which would yield an annual EBIT of Rs.2,00,000. The company has the objective of maximizing the earnings per share. It is considering possibility of issuing equity shares plus raising a debt of Rs.2,00,000, Rs.6,00,000 or Rs. 10,00,000. The current market price per share is Rs.40 which is expected to drop to Rs.25 per share if the market borrowings were to exceed Rs.7,50,000

Cost of borrowings are indicated as under:

- Up to Rs.2,50,000 10 % p.a.
- Between Rs.2,50,001 to Rs.6,25,000 14 % p.a.
- Between Rs.6,25,001 to Rs.10,00,000 16 % p.a.

Suggest the best possible capital structure to be adopted by the company to maximize their share value

A company's capital structure consist of the following:

Particulars	Amount(In lakhs)
Equity shares of Rs. 100 each	20
Retained Earnings	10
9 % Preference shares	12
7 % Debentures	8

The company earns 12 % on capital. The income tax rate is 50%. The company requires a sum of Rs. 25 lakhs to finance expansion programme for which following alternatives are available to it.

1. Issue of 20,000 Equity shares at a premium of Rs 25 per shares.
2. Issue of 10 % Preference shares.
3. Issue of 8 % Debentures.

It is estimated that the P/E ratio in the cases above would be 21.4,17,15.7 respectively.

BOS	B.Com. Financial Markets
Class	F.Y.B.Com FINANCIAL MARKETS
Semester	II
Course Name	Indian Banking & Insurance Sector
Course Code	PUCFM 202
Course Type	Major

Course Objectives:

1. To create awareness among the students about the banking & insurance sector along with their reforms & developments taken place in the market.
2. To provide understanding of the various banking & insurance products & the role of
 - a. intermediaries in the development of banking & insurance sector

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	INTRODUCTION TO INDIAN BANKING SECTOR	1.1	OVERVIEW OF BANKING INDUSTRY Definition and Meaning of Bank, Evolution of Banking -Types of Banks , Principles of Banking, Banking System and Structure in India , Emerging trends & reforms in banking – (Universal banking, electronic banking, globalization of banking)	15
		1.2	REGULATORY ARCHITECTURE Reserve Bank of India –History - Objectives-Roles-and Functions , BIS, Basel I, II and III. Banking Reforms in India after 1991.	
		1.3	Banking Ombudsman – Meaning and Functions- Scheme 2006, and Know Your Customer Norms.	
2	BANKING SERVICES & TECHNOLOGY	2.1	BANKING SERVICES-TERMS & CONCEPTS Types of Deposits, Advancing of Loans, Overdraft, Discounting of Bills of Exchange, Cheque Payment, Collection and Payment of Credit Instruments,	15
		2.2	Foreign Currency Exchange, Consultancy, Bank Guarantee, Remittance of Funds, Credit cards, ATMs Services, Debit cards, Home banking, , Priority banking, Private banking.	
		2.3	TECHNOLOGY IN BANKING – TERMS & CONCEPTs E- banking, Mobile Banking, Internet Banking, RTGS, POS Terminal, NEFT, IMPS,	,
		2.	Brown Label ATM's, White Label ATM's,	

		4	NUUP, AEPS, APBS, CBS, CTS, Digital Signature , Applicability of KYC norms in Banking Sector	
3	INTRODUCTION TO INSURANCE SECTOR	3.1	INTRODUCTION TO INSURANCE Definition – Evolution of Insurance- Functions of Insurance – Nature of Insurance – Benefits of Insurance to Individuals, Business Units and the Society. Classification of Insurance - Life Insurance & General Insurance, Principles of Insurance	15
		3.2	REGULATORY ARCHITECTURE Insurance Regulatory and Development Authority (IRDA) Condition, Duties, Powers and Functions	
		3.3	Reforms in the Indian Insurance Industry-after 1991-Public Sector and Private Sector.	
4	INSURANCE MARKETING & INTERMEDIARIES	4.1	INTERMEDIARIES OF INSURANCE Introduction, Individual agent, Corporate agent, Code of Conduct, Broking regulations,	15
		4.2	INSURANCE MARKET Life and Non-Life insures, Reinsures, Individual and Corporate Agents, Brokers-Surveyors-Medical, Examiners, Insurance Councils, Ombudsmen-Tariff Advisory Committee	
		4.3	MARKETING OF INSURANCE Significance – Marketing Plan of Insurance Companies – Products and Pricing – Positioning and Promotion – Distribution Channels – Selling Process.	
TOTAL LECTURES				60

COURSE OUTCOMES:

CO1: Define the principles, structure and types of banking and insurance in India

CO2: Understand thoroughly the key terminology and benefits of Indian banking & insurance sector to various groups

CO3 Develop and equip the students for utilizing the opportunities in the Indian banking & insurance sector.

CO4 : Analyse the current scenario of Indian Banking and Insurance system and update themselves with the trend

CO5 : Evaluate the effects of global banking and insurance system on India

CO6 : Design Marketing Plan of Insurance Companies – Products and Pricing – Positioning and Promotion etc

REFERENCE BOOKS:

- 1.Mishra,M.N., S.B.Mishra Insurance: Principles and Practice, S.Chand, 2012
- 2.Insurance Institute of India – IC – 01 Principles of Insurance
- 3.Dr. K.M.Bhattacharaya & O.P.Agarwal, Basics of Banking and Finance, Himalaya Publishing House
- 4.Gordan and Natrajan, Banking Theory Law and Practices, Himalaya Publishing House.
- 5.V.S.Gopal & Sumathi Gopal, Principles and Practices of Banking and Insurance, Himalaya Publishing House
- 6."Indian Financial System" by M.Y. Khan

Case Studies

The Impact of the COVID-19 Pandemic on the Indian Insurance Sector

The COVID-19 pandemic, which emerged in 2020, presented unprecedented challenges to the Indian insurance sector. As the nation grappled with the health and economic ramifications of the virus, insurers faced a surge in claims and evolving consumer behavior.

The pandemic highlighted the critical role of insurance in providing financial protection and security during uncertain times. Health insurance emerged as a crucial tool in mitigating the financial burden of medical expenses related to COVID-19 treatment. Insurers witnessed a significant increase in health insurance claims as hospitalization rates rose across the country.

Furthermore, the pandemic accelerated the adoption of digital technologies within the insurance sector. Insurers embraced online channels for policy sales, premium payments, and claims processing, catering to the changing preferences of customers amidst lockdowns and social distancing measures.

However, the pandemic also brought challenges to the Indian insurance industry. Insurers faced operational disruptions, workforce management issues, and increased financial volatility due to market uncertainties. Moreover, the surge in claims, particularly in health and life insurance segments, strained the financial reserves of some insurers, prompting concerns about sustainability and solvency.

Despite the challenges, the COVID-19 pandemic prompted insurers to innovate and adapt to the evolving landscape. Companies introduced new insurance products tailored to the specific needs arising from the pandemic, such as COVID-19 health insurance policies and pandemic-related coverage extensions.

In recent years, the Indian banking sector has witnessed a surge in fraudulent activities, exemplified by the XYZ Bank case. XYZ Bank, a prominent private bank, fell victim to a complex scheme involving misuse of Information and Technology, particularly in the realm of E-banking and M-banking services. The fraud, forgery, and corruption were facilitated by the absence of physical bank branches, allowing perpetrators to exploit vulnerabilities in digital transactions.

The alleged fraud, amounting to a staggering sum, unfolded as a result of deceptive practices akin to the infamous Punjab National Bank (PNB) case. Fraudsters manipulated the bank's operational areas, targeting deposit, loan, and inter-branch accounting transactions, including remittances. The modus operandi involved exploiting gaps in the bank's security protocols, leading to substantial financial losses.

BOS	B.Com. Financial Markets
Class	F.Y.B.Com FINANCIAL MARKETS
Semester	SECOND
Course Name	FINANCIAL STATISTICS
Course Code	PUCFM 03
Course Type	Discipline Minor

Course Objectives:

- 1.To equip students to deal with statistical applications in finance.
- 2.To equip the students to solve the complexities involved while data collection for research activities.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	Univariate Distribution	1.1	Mean , Median, Combined Mean	15
		1.2	Range, Quartile Deviation, Mean Deviation, Standard Deviation, Combined Standard Deviation.	
2	Bivariate Distribution	2.1	Correlation Co-efficient	15
		2.2	Linear Regression Analysis	
		2.3	Time Series Analysis	
3	Decision Theory	3.1	Decision Making under uncertainty	15
		3.2	Decision Making under risk	
		3.3	Formulation of Payoff Matrix	
		3.4	Decision Tree	
4	Linear Programming problem	4.1	Linear Equation and Inequality	15
		4.2	Linear Programming Problems-Graphical Representations	
Total number of lectures				60

Course Outcomes: By the end of the course the student will be able to:

CO1 - Define the concepts and uses of statistics, data and its type and the methods of collection of data.

CO2 - Explain and calculate the averages and the variation using various measures.

CO3 - Evaluate numerically the existence of relationship of two variables and to express the relation as equations.

CO4 -Illustrating and estimating the value of a variable when the value of its related value is known.

CO5 - Demonstrate the capability for decision making during uncertain and risk situations in a

business cycle.

CO6 - Create, Examine, and Analyze a situation to achieve the objective function with optimum utilization.

References:

1. Business Statistics –By Ken Black – Tata McGraw Hill.
2. Business Statistics – By V.N. Kapoor – S.Chand.
3. Operation Research- An Introduction – By H.A. Taha .
4. Operation Research – By Paneerselvan.
5. "Statistics for Business and Economics" by Paul Newbold, William L. Carlson, and Betty Thorne -
6. "Financial Statistics and Mathematical Finance: Methods, Models and Applications" by Ansgar Steland -

CASE STUDIES

1. Mahindra and Mahindra company makes Jeeps and tanks into two factories. Factory 1 perform the basic assembly operations. Factory 2 perform the finishing operations. For financial reasons, factory 1 has only 180 man-days available per week and factory 2 has 120 man-days available. Factory 1 need 3 man-days on each jeep and 10 man-days on each tank. Factory 2 need 6 man- days on a jeep and 4 man-days on a tank. If the profit of the company is Rs.450 per jeep and Rs. 550 per tank.

2. Alpha industries has to decide whether to set up a large plant or a small plant for its new [8 range of refrigerators . A large plant will cost the company Rs. 25 lakhs while a Small plant will cost Rs.12 lakhs. An extensive market survey and a cost profit analysis carried out by the company reveal the following estimate of sales over the next 10 years

State of nature	probability	Large plant	Small plant
high	0.5	100	25
moderate	0.3	60	35
low	0.2	20	45

BOS	B.Com. Financial Markets
Class	F.Y.B.Com. Financial Markets
Semester	II
Course name	Behavioural Finance
Course Code	PUCFM 204
Course Type	Skill Enhancement Course (SEC)

Course Objectives:

1. To examine how the insights of behavioral finance theories shed light on the behavior of individual investors and finance professionals in investment decision-making and corporate financial decision-making.
2. To explore the possibility of improving investment performance and corporate performance by recognizing the cognitive biases and applying appropriate 'de-biasing' techniques.

Unit No.	Name of Unit	Topic No.	Name of Topic	Hours
1	An Introduction to Behavioural Finance	1.1	Behavioral Finance: An Overview, Nature, Scope	10
		1.2	Significance, Theoretical framework of BF	
2	Dimensions of Behavioural Finance	2.1	Characteristics of Behavioural Finance & Different Biases, Prospect Theory	10
		2.2	Framing, Mental accounting, Loss Aversion	
3	Implications of Dimensions of Behavioural Finance	3.1	The implication of Dimensions, Rational Managers Vs Irrational Investors.	12
		3.2	Efficient market hypothesis & alternate market hypothesis, Expected Utility Theory.	
4	Heuristics & Behavioral Biases	4.1	Concept of Heuristics, Familiarity & Related Heuristics.	13
		4.2	Representativeness & Related biases, Anchoring as a bias, Emotional Bias.	
Total number of Lectures				45

Course outcome: By the end of the course the student will be able to:

1. Outline the various behavioral biases such as overconfidence, loss aversion, anchoring, and herd behavior that can impact financial decision-making.
2. Examine the ethical implications of behavioral biases in finance, such as the impact of misleading information or manipulation of investor behavior.
3. Identify and describe various behavioral biases such as overconfidence, loss aversion, anchoring, and herd

behavior that can impact financial decision-making.

4. Analyze the investor behavior in various market conditions, examining responses to market volatility, bubbles, crashes, and other significant events to understand patterns and trends.
5. Evaluate different models used in behavioral finance, such as prospect theory and behavioral asset pricing models, comparing and contrasting them with traditional finance theories to assess their effectiveness in explaining market phenomena.
6. Discuss the ethical implications of behavioral biases in finance, such as the impact of misleading information or manipulation of investor behavior.

Reference Books:

1. Behavioural Finance by Singh Ranjit.
2. Predictably Irrational by Dan Ariely
3. Aker, D., & Duck, N. W. (2008). Cross-cultural overconfidence and biased self-attribution. *The Journal of Socio-Economics*, 37, 1815–1824.
4. Ackert, L. F., Church, B. K., Tompkins, J., & Zhang, P. (2005). What's in a name? An experimental examination of investment behavior. *Review of Finance*, 9(2), 281–304.
5. "Personal Finance Lessons from the ICU: Indian Context" by Uma Shashikant
6. "Investing with the Trend: A Rules-based Approach to Money Management" by Gregory L. Morris (Adapted for Indian Markets by Vivek Bajaj)

Case studies

Case Study: The Overconfident Investor (Behavioral Finance & Prospect Theory)

John, a recent college graduate, invests his savings in a hot tech stock based on a friend's tip. He ignores analyst reports and feels very confident about his choice (overconfidence bias). The stock price initially rises, reinforcing his belief (anchoring bias). However, when the market dips, John experiences emotional losses more intensely than gains (loss aversion). He delays selling at a loss, hoping for a rebound (disposition effect). This behavior exemplifies how behavioral biases can cloud judgment and lead to suboptimal investment decisions in prospect theory.

Case Study: The Fearful Investor (Behavioral Finance & Prospect Theory) (100 words)

Behavioral Finance: John, a risk-averse investor, watches his stock portfolio plummet. He holds onto losing stocks (anchoring bias) despite the potential for further loss (loss aversion). Fearful of selling at a loss, he misses opportunities to invest in potentially better performing stocks (disposition effect). Prospect Theory explains how John values losses more than gains, leading to irrational investment decisions.