

UNIVERSITY OF MUMBAI

No. UG/123 of 2017-18

CIRCULAR:-

A reference is invited to the syllabi relating to the Bachelor of Commerce (B.Com.) Programme vide this office Circular No.UG/12 of 2012-13, dated 3rd May, 2012 and the Head, University Departments of Commerce and the Principals of the affiliated Colleges in Commerce are hereby informed that the recommendation made by Board of Studies in Business Economics at its meeting held on 30th November, 2017 has been accepted by the Academic Council at its meeting held on 11th May, 2017 vide item No.4.178 and that in accordance therewith, the revised syllabus as per the (CBCS) of S.Y.B.Com Applied Component Elective Course under Business Economics (Sem -III & IV) under Business Economics, which is available on the University's web site (www.mu.ac.in) and that the same has been brought into force with effect from the academic year 2017-18.

MUMBAI – 400 032

20th July, 2017

To

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REGISTRAR

The Head, University Department of Commerce and the Principals of the affiliated Colleges in Commerce.

A.C/4.178/11/05/2017

No. UG/123 -A of 2017

MUMBAI-400 032 20th July, 2017

Copy forwarded with Compliments for information to:-

- 1) The Co-ordinator, Faculty of Commerce,
- 2) The Chairman, Ad-hoc Board of Studies in Commerce,
- 3) The Offg. Director, Board of Examinations and Evaluation,
- 4) The Director, Board of Studies Development,
- 5) The Professor-cum-Director, Institute of Distance and Open Learning (IDOL),
- 6) The Co-Ordinator, University Computerization Centre,

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REGISTRAR

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University of Mumbai



Syllabus and Question Paper Pattern of Second Year B.Com Elective Course *Semester III and IV*

Indian Financial System

**Under Choice Based Credit, Grading and
Semester System**

*With effect from Academic Year-2017-2018
Board of studies – Business Economics*

INDIAN FINANCIAL SYSTEM

Syllabus

Preamble

A Financial System plays a vital role in the economic growth of a country. It intermediates between the flow of funds belonging to those who save a part of their income and those who invest in productive assets. It facilitates the transfer and allocation of funds, efficiently and effectively. It provides opportunities for students to enhance their knowledge & employability skills. The purpose of this paper is to acquaint the students with the various components of the financial system and their workings. In the globalised context, the Indian Financial System has metamorphosed in to a substantive, competitive and cost effective system and hence, it is essential to study in depth about its structure and recent developments.

**Revised Syllabus of B.Com. Programme at
Semester III
With Effect from the Academic Year 2017-2018**

**Business Economics
Elective course**

Indian Financial System

List of Modules

Sr. No.	Modules	No.of Lectures
1	Overview of the Indian Financial System	10
2	RBI & Financial Sector Reforms	10
3	Banking & Non-Banking Financial Institutions	15
4	Financial Instruments	10
Total		45

Sr.No.	Modules / Units
1	OVERVIEW OF INDIAN FINANCIAL SYSTEM
	Definition and meaning of the financial system - components of the financial system: institutions, instruments, markets, and services - functions and role of financial system - structure of Indian financial system - Indicators of financial development: Financial Interrelations Ratio (FIR), Finance Ratio (FR), Intermediation Ratio (IR) and New Issue Ratio (NIR).
2	RBI & FINANCIAL SECTOR REFORMS:
	Functions of RBI- Monetary Policy of the RBI: objectives & instruments – Recent developments in the monetary policy - Review of financial sector reforms (Narasimham Committee Report 1991 and 1998).
3	BANKING & NON-BANKING FINANCIAL INSTITUTIONS
	Commercial Banking: Developments in commercial banking sector since mid 1980s – Non-Performing Assets (NPAs) and their Management - Capital Adequacy Norms (Basel Accord III) - Overview of Non Bank Finance Companies (NBFCs) in India
4	FINANCIAL INSTRUMENTS
	Traditional Instruments: Classification and functions of Equities, Debentures and Bonds - Hybrid Instruments; Different types of bonds such as floating rate bonds, zero interest bonds, deep discount bonds, inverse float bonds & inflation index bonds.

Reference Books	
	Bhole L. M. (2008): Financial Institutions and Markets, Growth and Innovation, Tata McGraw-Hill, New Delhi.
	Hull John (2002): Introduction to Futures and Options Market, Prentice Hall of India, Delhi.
	Khan, M. Y., Indian Financial System-Theory and Practice, Tata McGraw Hill, New Delhi.
	Khan and Jain, Financial Services, Tata McGraw Hill, New Delhi.
	Meir Kohn, Financial Institution and Market, Oxford University Press. New Delhi.
	Pathak Bharati (2008): The Indian Financial System –Markets, Institutions, and Services, (2 nd Edition), Pearson Education, New Delhi.
	Paul, J. and P. Suresh (2008), Management of Banking and Financial Services, Pearson Education, Delhi.
	Singh, J.K., Venture Capital Financing in India. Dhanpat Rai and Company, New Delhi.
	Simha, S.L.N. Development Banking in India : Madras Institute of Financial Management and Research.
	Reserve Bank of India (various issues) Report on Currency and Finance, RBI, Mumbai.
	Reserve Bank of India (1997) Occasional Papers, Vol. 18, Nos. 2 & 3, RBI, Mumbai.
	Annual Reports of Major Financial Institutions in India.

QUESTION PAPER PATTERN

Semester III

Maximum Marks: 100 Marks

Time: 3 Hours

Note: 1) Attempt all Questions

2) All Questions carry equal marks

3) Attempt any two questions out of three in each of question 2, 3, 4 & 5

Question No	Particulars	Marks
Q-1	Objective Questions: A) Explain the following Concepts (Any Five from Eight) (Two from each module) B) Multiple Choice Questions (ten questions at least Two from each Module)	20Marks 10 Marks 10 Marks
Q-2 (from Module I)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-3 (from Module II)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-4 (from Module III)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-5 (from Module IV)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks

***Revised Syllabus of Courses of B.Com. Programme at
Semester IV
with Effect from the Academic Year 2017-2018***

**Business Economics
Financial Market Operation**

List of Modules

Sr. No.	Modules	No.of Lectures
1	Money Market	10
2	Capital Market	15
3	Debt Market	10
4	Financial Services	10
	Total	45

Objective: FINANCIAL MARKET OPERATIONS

It has been a long journey for the Indian Financial Market. Now it is organized, fairly integrated, mature, more global and modernized. The Indian Financial Markets are now getting integrated with global markets. Therefore, it is necessary to study the Indian Financial Market Operations in an organized manner. This paper aims at discussing the recent changes in the financial markets and the evolution of new financial instruments.

Sr.No.	Modules / Units
1	MONEY MARKET
	Components of organized money market – Call and Notice Market, Treasury Bills Market, Commercial Bills Market, Market for Certificate of Deposits, Market for Commercial Papers, Discount Market and Market for Collateralized Borrowing and Lending Obligations - Features of Indian Money Market- Reforms in Indian money market.
2	CAPITAL MARKET & FOREIGN EXCHANGE MARKET
	Capital Market: Structure of the Indian Capital Market –Recent Developments in the Primary Market and the Secondary Market - Overview of Debt Market in India – Role of SEBI - Foreign Exchange Market: components and functions.
3	Derivatives Market In India
	Meaning of derivatives – Participants in the derivative markets (Hedgers, Arbitrators and Speculators) — Significance of derivative markets – types and functioning of financial derivatives: Forwards, Futures, Options and Swaps - Derivatives trading in India.
4	FINANCIAL SERVICES
	Merchant Banking-Functions & Role, Credit Rating-Concept & Types, Functions & Limitations, Leasing Companies, Venture Capital Funds, Micro Finance.

Reference Books	
	Bhole, L. M., Financial Markets and Institutions, Tata McGraw Hill, New Delhi.
	Clifford, Gomez : Financial Markets, Institutions and Financial Services,
	Nayak and Sana, Indian Financial System and Financial Market Operations
	Gurusamy: Financial Services, Tata McGraw Hill, New Delhi.
	Khan, M.Y. (2007): Financial Services, Tata McGraw Hill, New Delhi.
	Pathak Bharati (2008): The Indian Financial System –Markets, Institutions, and Services, (2 nd Edition), Pearson Education, New Delhi.
	Sridhar, A. N. (2006); Futures and Options – Equities and Commodities; Shroff Publishers, Mumbai.
	Mukherjee, Ghosh and Roy, Indian Financial System and Financial Market Operations, Dey Book
	Reserve Bank of India (various issues) Report on Currency and Finance, RBI, Mumbai.
	Reserve Bank of India (1997) Occasional Papers, Vol. 18, Nos. 2 & 3, RBI, Mumbai.
	Annual Reports of Major Financial Institutions in India.

QUESTION PAPER PATTERN

Semester IV

Maximum Marks: 100 Marks

Time: 3 Hours

Note: 1) Attempt all Questions

2) All Questions carry equal marks

3) Attempt any two questions out of three in each of question 2, 3, 4 & 5

Question No	Particulars	Marks
Q-1	Objective Questions: A) Explain the following Concepts (Any Five from Eight) (Two from each module) B) Multiple Choice question (ten questions at least Two from each Module)	20Marks 10 Marks 10 Marks
Q-2 (from Module I)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-3 (from Module II)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-4 (from Module III)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks
Q-5 (from Module IV)	A) Full Length Question B) Full Length Question C) Full Length Question	20Marks