

Course Title: Indian Financial System

Course Code: 301

1. Nature and Role of Financial System: Introduction- Components of Financial system, The structure of the financial system – Functions of the financial sector – Indicators of financial development economy, Financial system and the economy-relationship between financial development and economic growth. **(5 hours)**

2. Financial Assets & Financial Markets: Meaning of financial assets & types, Role and structure of money market and capital market – Call money market, Treasury bill market, Commercial bill market including commercial paper and certificate of deposits, Discount market – Government securities market – Debt Market – Industrial Securities Market – Markets for derivatives; futures and options, and other derivatives; types, uses and pricing of derivatives – Primary and secondary market for securities; SEBI: its impact on the working of capital market in India; IRDA and its role in financial markets; Foreign Exchange Market.

(25 hours)

3. Non-bank Financial Intermediaries: Definition and types of non-bank financial institutions; their growth and impact on India's economic development, Measures taken to control their operations

(10 hours)

4. Mutual Funds and Insurance Business in India: Mutual Fund – Evolution – types – advantages – goals – mutual fund industry – NAV – the future of mutual funds; Insurance – insurance companies - new product development – reforms – liberalization of insurance; IRDA – economic change – insurance revolution – reform proposals – constitution of IRDA – objectives of IRDA – duties and powers of IRDA – new regulations – policy holders interest – the case for interdependence – banc assurance in India.

(15 hours)

5. Financial Services: Venture funding, Merchant banking and investment banks.

(5 hours)

Recommended books:

Bhole, L. M., Financial Institutions and Markets

[Suraj B Gupta , Monetary Economics Institutions, Theory and Policy](#)

Bhole, L. M. (2000), Indian Financial System, Chugh Publications, Allahabad.

Edminster, R. O. (1986), *Financial Institutions, Markets and Management*, McGraw Hill, New York.

Goldsmith, R. W. (1969), *Financial Structure and Development*, Yale, London.

Hanson, J. A. and S. Kathuria (Eds.) (1999), *India : A Financial Sector for the Twenty-first Century*, Oxford University Press, New Delhi.

Khan, M. Y. (1996), *Indian Financial System*, Tata McGraw Hill, New Delhi.

Machiraju, M. R. (1999), *Indian Financial Systems*, Vikas Publishing House, New Delhi.