



MARRI LAXMAN REDDY INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(AN AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)

Accredited by NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act, 1956

COURSE CONTENT

FINANCIAL INSTITUTIONS, MARKETS AND SERVICES								
III SEMESTER								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
20MBA021F	Professional Elective	L	T	P	C	CIE	SEE	Total
		4	-	-	4	30	70	100
Contact Classes:60	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 60			
Prerequisite: Basic concepts of Financial Institutions, Markets and Services								

COURSE OVERVIEW:

This course provides a comprehensive understanding of the structure, functions, and role of financial institutions, financial markets, and financial services in the economy. It focuses on how funds flow from savers to investors through various intermediaries and markets, supporting economic growth and financial stability.

COURSE OBJECTIVES:

- To understand the structure of financial systems
- To analyze the role of financial institutions and intermediaries.
- To study different financial markets and instruments
- To examine the importance of financial services in economic development
- To develop knowledge of modern financial trends and innovations

COURSE OUTCOMES: After Completion of the course, students should be able to

1. Explain the structure and innovations in financial services sector.
2. Analyze financial evaluation techniques for leasing and hire purchase.
3. Evaluate financial and legal aspects of factoring and bill discounting.
4. Assess valuation methods and strategies in venture capital financing.
5. Examine functions, regulations, and practices in merchant banking services.

UNIT-I FINANCIAL SYSTEM 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 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: Factoring concept and features, classification, functions of factor, legal aspects,

financial evaluation of factoring, decision analysis for factoring, factoring scenario in India. 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.

UNIT-IV VENTURE CAPITAL FINANCING 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.

UNIT-V MERCHANT BANKING

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. Latest Amendments in Financial Markets

TEXT BOOKS:

1. Meir Kohn, —Financial Institutions and Markets| Oxford University Press, 2nd Edition, 2009.
2. Khan. M.Y, —Financial Services|, Tata McGraw-Hill, Pvt. Ltd., New Delhi, 5th Edition ,2010.
3. Gordon and Natarajan, —Financial Markets and Services|, Himalaya publishing House, Mumbai ,7th Edition, 2009

REFERENCE BOOKS:

1. Vasant Desai, —Financial Markets and Financial Services|, Himalaya publishing House, Mumbai, 1st Edition,2009.
2. Punithavathy Pandian, —Financial Services and Markets|, Vikas Publishing House, 3rd Edition,2009.
3. L.M. Bhole: Financial Institutions and Markets, TMH, 2012

ELECTRONIC RESOURCES:

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>.
3. http://iimsnepal.com/download/e%20book%20materials/mba%20ebook%20material/mba%203rd%20semester%20ebook%20materials/dmgt512_financial_institutions_and_services.pdf.
4. <http://www.ddejust.ac.in/studymaterial/mba/fm-404.pdf>.

MATERIALS ONLINE:

1. Course template
2. Tutorial question bank
3. Tech talk and Concept Video topics
4. Open-ended experiments
5. Definitions and terminology
6. Assignments
7. Model question paper – I
8. Model question paper – II
9. Lecture notes
10. PowerPoint presentation
11. Drishya Siksha Sangrah (DSS) Videos

