

FUNDAMENTALS OF CAPITAL MARKET

CO1: To get a basic understanding of the products, players and functioning of financial markets, particularly the capital market.

CO2: To know about the roles of different players viz., custodians, asset management companies, sponsor etc. in the mutual fund industry.

CO3: To have a comprehensive and broad based knowledge about the securities markets and to get acquainted with various securities markets products, rules and regulations.

Module I

Markets and Financial Instruments Types of Markets: Equity Debt, Derivatives Commodities; Meaning and features of private, Public companies; Types of investment avenues. (10 hours).

Module 2

Concept and structure of mutual funds in India; Role of custodian; Registrar and transfer agent AMC; New fund offer's & procedure for investing in NFO; Investors rights and obligations. Concept of open ended and close ended fund; Types of funds - equity, index, diversified large cap funds, midcap fund, sec or fund and other equity schemes; Concept of entry and exit load Expense ratio; Portfolio turnover; AUM; Analysis of cash level in portfolio. (10 hours).

Module 3

Definition and origin of derivatives; Definitions of forwards; futures; options; Moneyless of an option; Participants in the derivatives market and uses of derivatives. Derivatives trading and settlement on NSE; using daily newspapers to track futures and options; Accounting and taxation of derivatives.(5 Hours)

Module 4

Primary issuance process; Participants in Government bond markets; Constituent SGL accounts; Concept of Primary dealers, Satellite dealers; Secondary markets for Government bonds; Settlement of trades in G-Secs; Clearing corporation; Negotiated Dealing System; Liquidity Adjustment Facility (LAF).(5 Hours)

References

- S. Kevin: Security Analysis and Portfolio Management.
- Sourain. Harry; Investment Management, Prentice Hall of India.
- Francis and Archer: Portfolio Management, Prentice Hall of India.
- Gupta L.C.: Stock Exchange Trading in India, Society for Capital Market Research and Development, Delhi.
- MachiRaju, H.R.: Working of Stock Exchanges in India, Wiley Eastern Ltd, New Delhi.