

COO3A3 Financial Services [4 Credits]

Learning Objective: To make the student understand about the importance and operations of various Financial Services

UNIT 1: Introduction to Financial Services, Leasing and Hire Purchase (14 Hours)

Overview of Financial Services in India, Growth, Structure and Types

Leasing: Introduction - Concept and Classification of Leasing, essential elements of Leasing- Types of Leasing(finance lease & operating lease- Forms of Leasing, Procedure of a Lease (Modus Operandi) Advantages and Limitations of Leasing

Hire Purchase: Introduction, Meaning, Definition- Characteristics- Nature of Hire Purchase- Modus Operandi of Hire Purchase transaction, Hire Purchases v/s Installment Payment System, and Lease Financing

UNIT 2: Factoring and Credit Rating (12 Hours)

Factoring: Introduction, Meaning of Factoring, How Factoring works, Types of Factoring, Functions of factoring, Cost of Factoring, Factoring v/s Forfaiting, Advantages & Disadvantages of Factoring.

Credit Rating: Introduction, Concept of Credit rating, Definition, Scope, need, Types of credit rating, Credit rating agencies in India process of Credit Rating, advantages & Disadvantages of Credit rating, Rating of Debt obligations, Rating services, Equity rating, Rating process and methodology, Rating symbols

UNIT 3: Venture Capital and Securitisation (10 Hours)

Venture Capital: Meaning and Definition of venture Capital, Characteristics of Venture Capital, Forms/Types of Venture Capital Assistances, Venture Capital process, Modes of Venture Capital Assistance.

Securitization: Introduction Definition, Concept, Need, Players involved in Securitisation, Securitisation structure, Instruments of Securitization, Differentiate between Pass Through Certificate and Pay through Securities, Instruments of Securitisation, Process of Securitisation.

UNIT 4: Depository and Depository Core services (12 Hours)

Depository: Meaning of Depository, Depository services in India, Functions of depository- Overview and Benefits of depository system- Account opening- procedure of Account opening- prerequisites for demat request Demat process, Rematerialisation, pre-requisites to a remat request and Core services provided by depository.

UNIT 5: Mutual Funds (12 Hours)

Mutual Funds The concept of a Mutual Fund, Meaning & Definition ; Advantages of Mutual Fund investing- Portfolio Diversification, Professional Management, Reduction of Risk, Transaction Costs and Taxes, Liquidity and Convenience. Open-end Funds/Closed-end Funds/Fixed Term Plans, Load Funds/No Load Funds, Tax Exempt/Non Tax Exempt Funds - Money Market Funds, Equity Funds, Debt Funds, Commodity Funds, Real Estate Funds-Organisation, Management and Procedure of setting of Mutual Funds

Suggested Readings:

1. Khan M.Y, *Financial Services*, Tata McGraw Hill
2. Kohak M.A., *Financial Services in India*, Digvijay Publication
3. Sanjiv Agrawal, *Manual of Indian Capital Market*
4. I.M. Pandey, *Venture Capital - The Indian Experience*, Prentice Hall India
5. J.C. Verma., *Venture Capital Financing in India*, Response Books
6. *Stationary Guide for Non-Banking Financial Companies*, Taxman Publishers Pvt. Ltd.
7. V.A. Avadhani, *Financial Services and Markets*, Himalaya Publishing House
8. Bohale, *Financial Services & Merchant Banking*, Tata McGraw Hill