

UNIVERSITY OF MADRAS
B.A. DEGREE PROGRAMME IN ECONOMICS
 SYLLABUS WITH EFFECT FROM 2023-2024

THIRD YEAR - SEMESTER -VI

Subject Code	Subject Name	Category	L	T	P	S	Credits	Inst. Hours	Marks		
									CIA	External	Total
304E6C	FINANCIAL MARKETS AND INSTITUTIONS	Discipline Specific Elective-VIII					3	5	25	75	100
Learning Objectives											
C1	To provides a comprehensive functions and operations of financial markets										
C2	To understand the various financial institutions and its operations in India										
C3	To probe the role of banks in the financial operations and its regulations										
C4	To analyse the Financial Institutions in India and its influence on Indian Economy.										
C5	To impart knowledge on Exchange Markets and its aspects.										
UNIT	Contents										No. of Hours
I	Introduction Introduction to Financial System and Economic Development - Indicators of Financial Development, Concepts Related to Financial Markets and Institutions - Concept of Risk -Types of Return and Yield										15
II	Financial Institutions – I Commercial Banking - Role of Banks – NPAs - Risk Management in Banking– International Banking - Financial Regulations and Regulatory Institutions in India - RBI, SEBI, IRDA, PFRDA - Corporate Governance and SEBI.										15
III	Financial Institutions – II Financial Institutions – Provident Fund, Pension Fund, Insurance Companies - Mutual Fund, Credit Rating Agencies, Merchant Bank, Venture Capital Funds. Bond Market: Bond Features, Bond Price Volatility, Government Security Market, Corporate Bond Market, Public Sector Undertaking Bonds.										12
IV	Derivatives Market Classification of Stock Market and Securities – IPO, Stock Exchanges, Stock Market Indices, Derivatives Market - Types of Derivatives.										15
V	Exchange Market Foreign Exchange Market - Foreign Exchange Market Structure - Risk Management in Foreign Exchange Market - Exchange Rate Determination - Foreign Capital – FDI & FII, Central Bank Intervention in Foreign Exchange Market.										18
Total										75	

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Course Outcomes		Programme Outcomes
CO	On completion of this course, students will be able to	
1	Understand the role and importance of the Indian Financial Market.	PO1
2	Analyse the importance of Commercial Banks	PO1
3	Understand and analyse the mechanics and regulation of financial instruments and determine how the value of stocks, bonds, and securities are calculated.	PO2,PO3
4	Evaluate the performance of Derivative Market.	PO2,PO3
5	Analyse the Foreign Exchange Market.	PO2,PO3
Textbooks		
1	Saunders, A., Cornett, M. M., &Erhemjamts, O. (2012). Financial Marketsand Institutions. McGraw-Hill/Irwin.	
2	Mishkin, F. S., & Eakins, S. G. (2006). Financial Marketsand Institutions. Pearson Education India.	
3	Frederic, S. (2000). Financial Markets and Institutions. Pearson Education India.	
4	Maureen Burton, Reynold F. Nesiba, Bruce Brown, “An Introduction to Financial Markets and Institutions”, Talyor& Francis, 2015	
5	Dr.F.C Sharma, “ Financial Markets, Institutions and Services” SBPD Publications, 2021	
Reference Books		
1.	Megginson, W. L. (2005). The Financial Economics of Privatization. Oxford University Press on Demand.	
2.	Burton, M., Nesiba, R. F., & Brown, B. (2015). An introduction to FinancialMarkets and Institutions. Routledge.	
3.	Jones, F. M. (2014). Foundations of Financial Markets and Institutions. Pearson Education.	
4.	Bhole, L. M. (2004). Financial Institutions and Markets: Structure, Growth And Innovations, 4e. Tata McGraw-Hill Education.	
5.	Dr.Gurusamy .S (2018) Financial Markets and Institutions,McGraw Hill Education India.	
Web Resources		
1.	https://www.rbi.org.in	
2.	https://www.nseindia.com	
3.	https://www.sebi.gov.in	
4.	https://dpiit.gov.in/foreign-direct-investment/foreign-direct-investment-policy	
5.	https://fifp.gov.in/	

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Mapping with Programme Outcomes:

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1	3	3	3	3	3	3	3	3
CO 2	3	3	3	3	3	3	3	3
CO 3	3	3	2	2	3	3	3	3
CO 4	3	3	3	3	3	2	3	3
CO 5	3	3	3	3	3	3	3	3
Weightage	15	15	14	14	15	15	15	15
Weighted percentage of course contribution to POS	3.0	3.0	3.0	2.8	3.0	3.0	2.8	3.00

S-Strong-3 M-Medium-2 L-Low-1

Level of Correlation between PSO's and CO's

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	3	2	2
CO2	3	3	3	2	3
CO3	3	3	3	3	3
CO4	3	3	3	3	3
CO5	3	3	3	3	3
Weightage	15	15	15	13	14
Weighted percentage of Course Contribution to PSOs	3	3	3	2.6	2.8

S-Strong-3 M-Medium-2 L-Low-1