

NAIPUNNYA BUSINESS SCHOOL
MASTER OF BUSINESS ADMINISTRATION

Securities Market in India

Time: 24 Hours

Credits: 2

This course sets up to understand the characteristics of securities markets and the instruments traded in Indian securities market. Students will be able to analyse risk and return of securities and manage portfolios of investments.

Module 1

Markets and Financial Instruments Types of Markets: Equity Debt, Derivatives Commodities; Meaning and features of private, Public companies; Types of investment avenues. Primary Market: Initial Public Offer (IPO); Book Building through Online IPO; Eligibility to issue securities; Pricing of Issues; Fixed versus Book Building issues; allotment of Shares; Basis of Allotment; Private Placement. Secondary Market: Role and functions of Securities and Exchange Board of India (SEBI); Depositories; Stock exchanges Intermediaries in the Indian stock market Listing; Membership; Trading Clearing and settlement and risk management; Investor protection fund (IPF); and Do's and Don'ts for investors, Equity and debt investment.

Module 2

Derivatives: Types of derivatives; Commodity and commodity exchanges; Commodity versus financial derivatives. Financial Statement Analysis Balance sheet; Profit & loss account; Stock market related ratios; Simple analysis before investing in the shares; understanding annual report; Director's report etc.

Module 3

An Overview Securities market and financial system; Products, participants and functions; Primary market; Secondary market; Derivatives market; Regulators; Exchanges; Depositories; Clearing corporations; Regulatory framework; Reforms. Primary Market Book building; Credit rating; Merchant banking; On-line IPOs; Demat issues; Private placement; Virtual debt portals; ADRs/GDRs; Other regulations; Public issues; Euro issues; Debt issues; Collective investment vehicles viz., MFs, VCFs, CISs. Secondary Market Membership; Listing; Trading and settlement mechanism; Technology; Trading rules- Insider Trading; Unfair trade practices; Takeovers; Buy back; Turnover; Market capitalization; Prices; Liquidity; Transaction costs; Risk management; Indices.

References

1. Gordon J Alexander, William F Sharpe, and Jeffery V Bailey: "Fundamentals of Investments, Prentice-Hall of India Private Limited, New Delhi.
2. Prasanna Chandra: "Investment Analysis and Portfolio Management", Tata McGraw Hill Education Private Limited, New Delhi.
3. Thummuluri Siddaiah: "Financial Services" Pearson Education, Delhi.
4. K. Sasidharan & Alex K. Mathews, Security Analysis & Portfolio Management, Tata McGraw Hill, 2011.
5. L.M. Bhole: Financial Institutions and Market.
6. M.Y.Khan: Financial Services
7. Hull, J. C. (2009). *Options futures and other derivatives* (7th ed.). New Delhi: Prentice Hall of India.
8. Bhalla, V. K. (2008). Investment management. New Delhi: Sultan Chand.

NAIPUNNYA BUSINESS SCHOOL
MASTER OF BUSINESS ADMINISTRATION

Derivatives and mutual fund

Time: 24 Hours

Credits: 2

This course sets up to understand the characteristics of derivatives and mutual funds in Indian financial market. It helps to study in the field of investments related to options, futures and other derivative securities and mutual funds. The course will also acquaint students with derivative securities, markets, pricing, hedging and trading strategies of derivative instruments. This course also helps to know the investments in mutual funds.

Module 1

Government Securities Market Indian debt market; Primary market; Secondary market-NDS; NDS-OM; CCIL; Wholesale debt market (WDM) segment of NSE. Derivatives Market Products, Participants and functions; Trading mechanism; Membership; Contract specification; Clearing & Settlement; Open interest; Implied interest rate; Implied volatility; Risk management; Debt derivatives. Mathematics and Statistics Measures of central tendency; Return and Risk.

Module 2

Introduction, Definition and Applications of Derivatives. Definition and origin of derivatives; Definitions of forwards; futures; options; Moneyless of an option; Participants in the derivatives market and uses of derivatives. Trading Futures and Options Pay-off of futures; Theoretical model for future pricing; Option prices. Derivatives- Trading on the Exchange Derivatives trading and settlement on NSE; using daily newspapers to track futures and options; Accounting and taxation of derivatives.

Module 3

Concept and Role of a Mutual Fund , contrast with conventional investment avenues such as Bank Deposits, Post Office Deposits, Public Provident Fund., Mutual fund industry and related concept, Two plans or routes for investors to invest in a mutual fund, Basic legal structure of mutual funds in India and understand their role, Organisation structure of Asset Management Company, Classification of mutual fund schemes, Entry Load and Exit Load and their application in calculating the Net Asset Value (NAV), Calculation of returns for an investor investing in mutual fund schemes, Understand the concept of benchmark for some of the mutual fund schemes

References

1. Hull, J. C. (2009). Options futures and other derivatives (7th ed.). New Delhi: Prentice Hall of India.
2. Bhalla, V. K. (2008). Investment management. New Delhi: Sultan Chand.
3. Jarrow, R., & Stuart, T. (2000). Derivative securities (2nd ed.). Cincinnati: South-Western.
4. Piliska, S. (2004). Introduction to mathematical finance. UK: Blackwell
5. John. C. Bogle Common Sense on Mutual Funds: New Imperatives for the Intelligent Investor
6. R. Glenn Hubbard ,The Mutual Fund Industry.