

# **CONTENTS**

## **1. FINANCIAL SYSTEM AND MARKETS**

- Concept of Financial System
- Financial Concepts
- Financial Assets
- Financial Intermediaries
- Financial Markets
- Financial Rates of Return
- Financial Instruments
- Foreign Exchange Market
- Self Assessment Questions

## **2. DEVELOPMENT OF FINANCIAL SYSTEM IN INDIA**

- Nationalization of Financial Institution
- Reserve Bank of India
- Unit Trust of India
- Development Banks
- Institutions for Financing Agriculture
- Institutions for Foreign Trade
- Institutions for Housing Finance
- Stock Holding Corporation of India Ltd.
- Mutual Fund Industry
- Venture capital Industries
- Credit Rating Agencies
- Weaknesses of Indian Financial System
- Self Assessment Questions

## **3. MONETARY POLICY**

- Meaning of Monetary Policy

- Objectives of Monetary Policy
- Role of Monetary Policy in Developing Economy
- Scope of Monetary Policy in Undeveloped Countries
- Limitations of Monetary Policy in Developing Countries
- Instruments of Monetary Policy

#### **4. FISCAL POLICY**

- Meaning of Fiscal Policy
- Components of Fiscal Policy
- Features of Fiscal Policy of India
- Limitations of Fiscal Policy

#### **5. FINANCIAL SECTOR REFORMS IN INDIA**

- Need for Financial Reforms
- Main and Sub-objectives of Financial Reforms Introduced in 1991
- Major Reforms After 1991

#### **6. INTRODUCTION TO BANKING**

- Origin and Growth of Banking
- Meaning and Definition of a Bank
- Types of Banks
- Functions of Commercial Banks
- Management of Commercial Banks
- Banking System
- Organizational set up of Commercial Banks in India
- Interest Rate
- Utilization / Employment of Funds
- Liquidity and Profitability
- Self Assessment Questions

#### **7. MERCHANT BANKING**

- Concept and Nature of Merchant Banking
- Functions of Merchant Banker
- Merchant Banking Regulations
- Parameters of Evaluating a Merchant Banker
- Features of Merchant Banking in India
- Self Assessment Questions

#### **8. NATURE AND SCOPE OF FINANCIAL SERVICES**

- Meaning of Financial Services
- Classification of Financial Services Industry
- Scope of Financial Services

- Causes for Financial Innovation
- New Financial Products and Services
- Innovative Financial Instruments
- Challenges Facing the Financial Services Sector
- Present Scenario
- Self Assessment Questions

## **9. INSURANCE**

- Introduction
- Nature or Characteristics of Insurance
- Functions of Insurance
- Pre-requisites for the Success of Insurance
- Limitations of Insurance
- Scope or Classification of Insurance
- Principles of Insurance
- Self Assessment Questions

## **10. MANAGEMENT OF RISK IN FINANCIAL SERVICES**

- Concept of risk
- Types of risk
- Risk management
- Self assessment questions

## **11. MUTUAL FUND**

- Concept of Mutual Funds
- Origin of the Fund
- Types of Funds/Classification of Funds
- Importance of Mutual Funds
- Risks Associated with Mutual Fund
- Organization of the Fund
- Operation of the Fund
- Facilities available to Investors
- Net Asset Value
- Investors Rights
- General Guidelines
- Mutual Funds 2000
- Selection of a Fund
- Commercial Banks and Mutual Funds
- Mutual Funds Abroad
- Mutual Funds in India
- Reasons for Slow Growth

- Mutual Funds for whom?
- Self Assessment Questions

## **12. LEASING AND HIRE PURCHASE**

- Concept and Essentials of Leasing
- Classification of Leasing
- Steps involved in Leasing Transaction
- Advantages of Leasing
- Limitation of Leasing
- Legal Aspects of Leasing
- Contents of a Lease Agreement
- Income Tax Provisions relating to Leasing
- Sales Tax Provisions pertaining to Leasing
- Accounting Treatment of Lease
- Structure of Leasing Industry in India
- Problem of Leasing
- Prospects of Leasing
- Hire Purchase
- Self Assessment Questions

## **13. DEBT SECURITISATION**

- Concept of Securitization
- Securitization Vs. Factoring
- Modus Operandi of Securitization
- Structure for Securitization/Types of Securities
- Securitizable Assets
- Benefits of Securitization
- Securitization and Banks
- Conditions for Successful Securitization
- Securitization Abroad
- Securitization in India
- Causes for the Unpopularity of Securitization in India
- Self Assessment Questions

## **14. HOUSING FINANCE**

- Introduction
- National Housing Bank
- Housing Finance System
- New Developments
- Self Assessment Questions

## **15. CREDIT RATING**

- Introduction
- Concept of Credit Rating
- Functions of Credit Ratings
- Origin of Credit Rating
- Credit Rating in India
- Benefits of Credit Rating
- Caution to Use Credit Rating
- Rating Process
- Types of Rating
- Credit Rating Agencies in India
- Practical Problems of Credit Rating
- Future of Credit Rating in India
- Self Assessment Questions

## **16. CREDIT CARD**

- Introduction
- Concept of a Credit Card
- Types of Credit Card
- Parties to a Credit Card
- Procedure at the time of purchase at member establishments
- Benefits of Credit Cards
- Demerits of credit cards
- Credit card business in India
- Future Prospectus
- Self Assessment Questions

## **17. VENTURE CAPITAL**

- Introduction
- Concept of Venture Capital
- Scope of Venture Capital
- Steps to Provide Venture Capital
- Importance of Venture Capital
- Origin
- Initiative in India
- Methods of Venture Financing
- Indian Experience
- Suggestion for the growth of venture capital funds
- Self Assessment Questions

## **18. DISCOUNTING, FACTORING AND FORFEITING**

- Introduction
- Discounting
- Factoring
- Modus Operandi of the Factoring
- Terms and Condition in a Factoring Agreement
- Functions of Factoring
- Types of Factoring
- Factoring Vs. Discounting
- Cost and Benefits of Factoring
- Benefits of Factoring
- Factoring in India
- Forfeiting
- Factoring Vs. Forfeiting
- Working of Forfeiting
- Benefits of Forfeiting
- Drawbacks of Forfeiting
- Forfeiting in India
- Self Assessment Questions

## **19. DEVELOPMENT FINANCIAL INSTITUTIONS**

- Introduction
- Meaning of Development Banks
- Objectives of Development Banks
- Factors Responsible for Growth of Development Banks
- Functions of Development Banks
- Development Financial Institutions (DFIs) in India
- Indian Financial Institutions - A Profile Achievement
- Handicaps
- Growth of Institutional Financing in India
- Factors of Growth
- Industrial Development Bank of India (IDBI)
- Industrial Credit and Investment Corporation of India (ICICI)
- Industrial Finance Corporation of India (IFCI)
- Small Industries Development Bank of India(**SIDBI**)
- State Financial Corporation (SFCs)
- Unit Trust of India (UTI)
- Life Insurance Corporation of India (LIC)
- National Housing Bank (NHB)
- NABARD

- Regional Rural Banks (RRBs)
- Non Banking Finance Company NBFCs

## **20. REAL ESTATE INVESTMENTS**

- Introduction
- Setting Real Estate Investment Objectives
- Determinants of Value
- Real Estate Valuation
- Estimating Market Value

## **21. MERGERS AND ACQUISITIONS**

- Introduction
- Meaning of Terms
- Reason for Merger and Acquisition
- Types of Mergers
- Corporate Restructuring
- Forms of Corporate Restructuring
- Anti-Takeover Defenses
- Financial Considerations in Mergers and Acquisition
- Formulating Merger and Acquisition Strategy
- Major Causes of Failure of Mergers and Acquisitions
- Regulation of Mergers and Takeovers in India
- Keywords
- Summary
- Self Assessment Questions

## **BIBLIOGRAPHY**

## **INDEX**