

St. Joseph's College of Commerce (Autonomous)
#163, Brigade Road, Bangalore - 560 025
LESSON PLAN - VI BCOM (BPM) ("C" SEC)

Dr. SRIDHAR L S

C3 15MC 603- CAPITAL MARKETS FOR BUSINESS PROCESS SERVICES

Lecture hours: 60

Objective: To enable the students to know the various concepts and techniques of Capital Markets and to help them in calculation of Transaction Costs.

SL.NO	UNIT & OBJECTIVES	NO OF LECTURE HOURS	TEACHING METHODS	EVALUATION/ LEARNING CONFIRMATION
1	Financial Markets and Trade	8 Hrs.		
	Meaning of capital market - Importance of capital market-Capital market in India- Market types - Primary and secondary market	2	Lecture through PPT	Questions & Answers
	OTC vs Exchange markets- Participants in a trade	1	Lecture through PPT,	Questions & Answers
	Trade life cycle - Business process in TLC	1	Lecture through PPT	Questions & Answers
	Parties involved in TLC - Role of the process - Master agreement - Order management	1	Lecture through PPT	Discussion
	Trade execution - Overview of regulators and important regulations	3	Lecture through PPT	Questions & Answers
2	Capital Market Instruments	10Hrs		
	Meaning of securities - Types of securities - Equities - Types of equity - Preference stock - Warrants	2	Lecture through PPT	Questions & Answers
	Leaps and Lepo - Types of capital - debt / equity - Cost of capital - Fixed income and govt. securities	2	Lecture through PPT	Questions & Answers
	Introduction and features - Classification - Cash flow pattern - Interbank money market - Repo and types - Security borrowing. Types of securities and markets	2	Lecture through PPT	Questions and Answers
	Bankers acceptance - US treasuries - Bond types and interest types - Inverse and super floater - Euro currency market - Types of ratings	2	Lecture through PPT	Case study & Discussion
	Concept of interest calculation - Simple vs compounding - Day count basis - Risk free rate	2	Lecture through PPT	Questions and Answers

	Derivatives and Risk Management in Capital Markets	12 Hrs.		
3	Meaning of derivatives – Basics on derivatives -Growth of derivatives market- Accounting definition - Leverage - Asset classes - General types	1	Lecture through PPT & Video	Questions & Answers
	Market risk - speculation - Pricing principles Hedging and speculation - Forward - Hedging - Speculation - Performance caselet	3	Lecture through PPT	Questions & Answers
	Futures strategies - Future - Quotations and terminologies - Trade guarantee - Margining - Span mechanism – EFRP – Swaps - CFD - Swap Vs Other Derivatives - Application of IRS - Currency swaps– Options - Option styles, Exposures, Pay offs - Non Linear and Linear - FX Option.	4	Lecture through PPT	Questions & Answers
	Introduction – Types of risk - Settlement and clearing - Counterparty credit risk management – Assessment of credit risk - Market risk management – Sovereign and counterpart risk.	4	Lecture through PPT	Quiz & MCQ
	Mutual Funds	15 Hrs		
4	Mutual fund objectives and industry players - Responsibilities of fund accountant - Fund expenses - NAV and components - Benefits of mutual funds – Transfer agency	3	Lecture through PPT	Using Excel
	Overview of transfer agency - TA activities, processing and systems – Workflow – Meaning of hedge funds	3	Lecture through PPT	Using Excel
	Overview and structure - Types and classification - Understanding hedge funds - Hedge fund strategies - Hedge funds vs Mutual funds. Meaning of private equity - Understanding private equity operations	3	Lecture through PPT	Question & Answers
	Fund accounting and NAV calculations - Direct private equity funds - Role of private equity - Fund of fund and structure	4	Lecture through PPT	Quiz & MCQ
	Realization and investors in private equity - Private equity vs hedge funds - Performance reporting - reconciliations in asset management.	2	Lecture through PPT	Quiz & MCQ
5	Basics of Investment Banking	15 Hrs		
	Meaning of investment banking - Trade life cycle - Trade capture and booking - trade enrichment - Confirm / affirm / match - Allocation and reporting - Position	2	Lecture through PPT	Questions & Answers

reconciliation -			
Mark to market and margining - Clearing and settlement - Clearing - Novation in clearing - Netting - Settlement -	2	Lecture through PPT & Videos	Questions & Answers
Physical and cash settlement - Early termination and post settlement - Statics data - Security identifier - Securities lending - Legalities in security lending	3	Lecture through PPT, Cases Study and Videos	Questions & Answers
Stock loan fees - Prime brokerage - Global custody services - Risk management , advisory services and consulting services - Collateral management	4	Lecture through PPT, Cases Study and Videos	Presentation
Need for collateral management - Multiple complex and interrelated functions - Corporate actions - Mandatory - Dividends - Stock splits - Spin offs - Mergers and acquisitions - Return of capital - Voluntary - Rights exercise - Tender offer - Corporate actions : How they affect securities	4	Lecture and demonstration research report and presentation	Presentation

CIA Components:

The tentative date to complete the CIA is 12th March, 2017. The evaluation scheme is based on the comprehensive and analytical skills of students for the below criteria.

1. Assignment
2. Excel calculation (Mutual Funds NAV Calculation)
3. Seminar