

OBE based Teaching Lesson Plan 2020-21

Program: B COM (INDUSTRY INTEGRATED)

Course Name: CAPITAL MARKETS FOR BPS

Course Code: C3 15MC 603

Semester: VI

Lecture hours: 60

Faculty in-charge: Dr. Sridhar

Course Outcome No.	Course Outcomes	T level Indicator
CO1.	Illustrate the functioning of capital market in India and its requirements of Business process services.	T3
CO2.	Select a set of capital market instruments on the basis of merit of case.	T3
CO3.	Design a hedging strategy for managing risk of stocks of Capital market by using Derivatives.	T6
CO4.	Illustrate the stages of Trade cycle and process involved in mutual Funds	T3
CO5.	Explain the stages of Trade cycle and process involved in Investment banking	T2

Module No. & Topics Covered	Course Outcome No.	No. of Lecture Hours	Pre-Class Activity	Instructional techniques	Assessment	T level
Module 1: Financial Markets and Trade Meaning of capital market – Importance of capital market- Capital market in India- Market types – Primary and secondary market – OTC vs Exchange markets- Participants in a trade - Trade life cycle - Business process in TLC - Parties involved in TLC - Role of the process - Master agreement - Order management - Trade execution - Overview of regulators and important regulations.	CO1	8	Read different kinds of financial markets and watch trade life cycle video link shared	Lecture through PPT, discussions and examples	Q&A	T3

Continuous Internal Assessment –

- Power point presentation in class on the given topic.

<p>Module 2: Capital Market Instruments</p> <p>10 Hrs</p> <p>Meaning of securities - Types of securities - Equities - Types of equity - Preference stock - Warrants - Leaps and Lepo - Types of capital debt / equity - Cost of capital - Fixed income and govt. securities Introduction and features - Classification - Cash flow pattern - Interbank money market - Repo and types - Security borrowing. Types of securities and markets - Bankers acceptance - US treasuries Bond types and interest types - Inverse and super floater - Euro currency market - Types of ratings - Concept of</p>	CO2	10	List down various avenues of investments in capital market that students choose to invest	Lecture through PPT	Q&A, MCQs	T3
---	-----	----	---	---------------------	-----------	----

<p>interest calculation - Simple vs compounding - Day count basis - Risk free rate.</p>						
<p>Module 3: Derivatives and Risk Management in Capital Markets Meaning of derivatives - Basics on derivatives - Growth of derivatives market - Accounting definition - Leverage - Asset classes - General types - Market risk - speculation - Pricing principles - Hedging and speculation - Forward - Hedging - Speculation - Performance caselet 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</p>	CO3	12	Video shared based on derivatives to be watched	Lecture through PPT and examples	Q&A	T6

<p>styles, Exposures, Pay offs - Non Linear and Linear - FX Option.</p> <p>Introduction - Types of risk - Settlement and clearing - Counterparty credit risk management - Assessment of credit risk - Market risk management - Sovereign and counter part risk.</p>						
<p>Module 4: Mutual Funds</p> <p>Mutual fund objectives and industry players - Responsibilities of fund accountant - Fund expenses - NAV and components - Benefits of mutual funds - Transfer agency - Overview of transfer agency - TA activities ,processing and systems - Workflow - Meaning of hedge funds - Overview and structure - Types and classification - Understanding hedge funds - Hedge fund strategies - Hedge funds vs Mutual</p>	CO4	15	Go through websites of institutions offering Mutual funds services	Lecture through case study, video and PPTs	Discussions and Q&A	T3

<p>funds. Meaning of private equity - Understanding private equity operations - Fund accounting and NAV calculations - Direct private equity funds - Role of private equity - Fund of fund and structure - Realization and investors in private equity - Private equity vs hedge funds - Performance reporting - reconciliations in asset management.</p>						
<p>Module 5: Basics of Investment Banking Meaning of investment banking - Trade life cycle - Trade capture and booking - trade enrichment - Confirm / affirm / match - Allocation and reporting - Position reconciliation - Mark to market and margining - Clearing and settlement - Clearing - Novation in clearing - Netting - Settlement - Physical and cash settlement - Early</p>	CO5	15	Read about specified Investment Banking companies	Lecture through discussions and PPTs	Q&A, Class test and presentations	T2

termination and post settlement - Statics data - Security identifier - Securities lending - Legalities in security lending Stockloan fees - Prime brokerage - Global custody services - Risk management , advisory services and consulting services - Collateral management - Need for collateral management - Multiple complex and interrelated functions - Corporate actions - Mandatory - Dividends - Stock splits						
---	--	--	--	--	--	--

- Case study analysis
- Preparing hypothetical portfolio with the given amount
- Class test

Books for Reference:

Text Book

Hand Book on Capital Markets for Business Process Services

Approved by: