

OBE based Teaching Lesson Plan 2019-20

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 and Ms.Sanjana.S.I

| 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 |
|--|---------------------------|-----------------------------|--|---|-------------------|----------------|
| <p>Module 1: Financial Markets and Trade</p> <p>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.</p> | 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 |
| <p>Module 2: Capital Market Instruments</p> <p>Meaning of securities – Types of securities -</p> | CO2 | 10 | List down various avenues of investments in capital market that students choose | Lecture through PPT | Q&A, MCQs | T3 |

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| <p>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 interest calculation - Simple vs compounding - Day count basis - Risk free rate.</p> | | | to invest | | | |
| <p>Module 3: Derivatives and Risk Management in Capital Markets</p> | CO3 | 12 | Video shared based on derivatives to | Lecture through PPT and examples | Q&A | T6 |

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| <p>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 styles, Exposures, Pay offs - Non Linear and Linear - FX Option. Introduction - Types of risk - Settlement and clearing - Counterparty credit risk management - Assessment of credit risk - Market risk management -</p> | | | <p>be watched</p> | | | |
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| Soverign and counter part risk. | | | | | | |
| Module 4: Mutual Funds 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 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 | CO4 | 15 | Go through websites of institutions offering Mutual funds services | Lecture through case study, video and PPTs | Discussions and Q&A | T3 |

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| equity vs hedge funds - Performance reporting - reconciliations in asset management. | | | | | | |
| 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 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 | CO5 | 15 | Read about specified Investment Banking companies | Lecture through discussions and PPTs | Q&A, Class test and presentations | T2 |

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| for collateral management - Multiple complex and interrelated functions - Corporate actions - Mandatory - Dividends - Stock splits | | | | | | |
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Continuous Internal Assessment –

- Power point presentation in class on the given topic.
- 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: