

# University of Mumbai



**Revised Syllabus and Question Paper  
Pattern Courses  
of  
B.Com. (Financial Markets)  
Programme  
at  
Second Year  
Semester III and IV**

**Under Credit, Grading and Semester System**

**With Effect from Academic Year 2016-2017**

*Board of Studies-in-Financial Markets, University of Mumbai*

*Board of Studies-in-Financial Markets, University of Mumbai*

**Revised Syllabus and Question Paper Pattern  
of Courses of B.Com. (Financial Markets)  
Programme  
at Semester III**

Course No.	Title of the Course
2.3.1	Debt Markets - I
2.3.2	Equity Markets - I
2.3.3	Commodities Markets
2.3.4	Management Accounting
2.3.5	Business Law - I
2.3.6	Money Market
2.3.7	Business Taxation - Direct Tax

**With effect from Academic Year 2016-2017**

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
with effect from the Academic Year 2016-2017***

**2.3.1 Debt Markets - I*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Introduction to the Debt Markets	15
2	Instruments and Players in Debt Markets	15
3	Bonds	15
4	Valuation Of Bonds	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Introduction to the Debt Markets</b>
	<ul style="list-style-type: none"> <li>• Evolution of Debt Markets in India</li> <li>• Money market &amp; Debt Market in India</li> <li>• Fundamental features of debt instruments</li> <li>• Regulatory framework in the Indian debt market</li> </ul>
<b>2</b>	<b>Instruments and Players in Debt Markets</b>
	<ul style="list-style-type: none"> <li>• Central Government Securities: bonds, t-bills, state government bonds,</li> <li>• Open market operations</li> <li>• Securities Trading Corporation of India</li> <li>• Primary dealers in Government Securities</li> </ul>
<b>3</b>	<b>Bonds</b>
	<ul style="list-style-type: none"> <li>• Features of bonds</li> <li>• Types of bonds</li> <li>• Issuers of bonds</li> <li>• Bond ratings- importance &amp; relevance and rating agencies.</li> <li>• Bond market indices and benchmarks.</li> </ul>
<b>4</b>	<b>Valuation Of Bonds</b>
	<ul style="list-style-type: none"> <li>• Determinants of the value of bonds</li> <li>• Primary market &amp; secondary market</li> <li>• Bond Mathematics</li> <li>• Yield Curve Analysis</li> </ul>

## AC 23/5/2016 Item No. – 4.3

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
with effect from the Academic Year 2016-2017***

### 2.3.2 Equity Markets - I

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Introduction	15
2	Market for Equity - Primary Markets	15
3	Market For Equity - Secondary Markets	15
4	Importance of Equity Markets in a Developing Country like India	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Introduction</b>
	<ul style="list-style-type: none"> <li>• Meaning and Definition of equity shares</li> <li>• Growth of Corporate Sector and the simultaneous growth of equity shareholders</li> <li>• Divorce between ownership and management in companies</li> <li>• Development of equity culture in India</li> <li>• Current position</li> </ul>
<b>2</b>	<b>Market for Equity - Primary Markets</b>
	<ul style="list-style-type: none"> <li>• IPO - Methods followed, Book Building</li> <li>• Role of Merchant bankers in fixing the price</li> <li>• Red - Herring Prospectus: it's unique features</li> <li>• ASBA and its features</li> <li>• Green Shoe option - Sweat equity, ESOP</li> <li>• Rights issue of shares, Non-voting shares ,ADR, GDR, IDR</li> </ul>
<b>3</b>	<b>Market For Equity - Secondary Markets</b>
	<ul style="list-style-type: none"> <li>• Definition and functions of stock Exchanges</li> <li>• Evolution and Growth of Stock Exchanges</li> <li>• Stock Exchanges in India</li> <li>• NSE, BSE, OTCEI and Overseas Stock Exchanges</li> <li>• Recent Development in Stock Exchanges, Merger of SEBI with FOMC</li> <li>• Stock Market Indices</li> </ul>
<b>4</b>	<b>Importance of Equity Markets in a Developing Country like India</b>
	<ul style="list-style-type: none"> <li>• Need for attracting more investors towards equity</li> <li>• Need for strengthening secondary markets</li> <li>• Link between Primary Market and Secondary Market</li> </ul>

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
with effect from the Academic Year 2016-2017***

**2.3.3 Commodities Markets*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Introduction to Commodity Market	15
2	Strengthening Commodity Markets in India	15
3	Commodity Exchanges	15
4	Commodity Market in India	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
1	<b>Introduction to Commodity Market</b>
	<ul style="list-style-type: none"> <li>• Emergence of Commodity Market</li> <li>• Dynamics of global commodity markets</li> <li>• Indian commodity markets - Current status &amp; future prospects</li> </ul>
2	<b>Strengthening Commodity Markets in India</b>
	<ul style="list-style-type: none"> <li>• Role of Government</li> <li>• Role of Commodity Exchanges</li> <li>• Other Institutions</li> <li>• Training &amp; development of Dealers</li> </ul>
3	<b>Commodity Exchanges</b>
	<ul style="list-style-type: none"> <li>• Function &amp; Role</li> <li>• Trading &amp; Clearing methods</li> <li>• Commodity futures</li> <li>• Commodity Specific Exchanges Vs Multi Commodity Exchanges</li> </ul>
4	<b>Commodity Market in India</b>
	<ul style="list-style-type: none"> <li>• Commodity Exchanges in India</li> <li>• Role of Information in Commodity Markets</li> <li>• Linkages between equity markets and commodity markets</li> <li>• Commodity markets - Logistics and Warehousing</li> </ul>

## AC 23/5/2016 Item No. – 4.3

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
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### 2.3.4 Management Accounting

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Introduction to Financial Statement Analysis	15
2	Financial Statement Analysis	15
3	Working Capital Management	15
4	Operating and Financial Leverage	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Introduction to Financial Statement Analysis</b>
	<ul style="list-style-type: none"> <li>• Meaning, Nature, Uses, Scope &amp; Function of Management Accounting, Role of Management Accounting in decision making, Tools &amp; Techniques of Management Accounting.</li> <li>• Financial Statements Analysis: Meaning &amp; Types of Financial statements, Limitations of Financial Statements, Objectives of Financial statements, Interpretation of Financial statements, Inter - Firm &amp; Intra -firm comparison with the help of ratio, comparative, commonsize &amp; trend analysis</li> </ul>
<b>2</b>	<b>Financial Statement Analysis</b>
	<ul style="list-style-type: none"> <li>• Fund Flow statement</li> <li>• Cash Flow statement</li> </ul>
<b>3</b>	<b>Working Capital Management</b>
	<ul style="list-style-type: none"> <li>• Operations cycle, Need &amp; Importance, Monitoring &amp; Control, Estimation &amp; Calculation Working Capital</li> <li>• Management of Current Assets: Management of Cash &amp; Marketing of securities, Receivables management.</li> </ul>
<b>4</b>	<b>Operating and Financial Leverage</b>
	<ul style="list-style-type: none"> <li>• Break even analysis, Margin of safety</li> <li>• Concept in Valuation : The time of Money, P.V. IRR, Bond Returns, and the returns from Stock Investments</li> </ul>

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
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**2.3.5 Business Law - I*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Indian Contract Act 1872	15
2	Special contracts	15
3	The Sale of Goods Act 1930	15
4	Negotiable instruments Act 1881	15
	<b>Total</b>	<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Indian Contract Act 1872</b>
	<ul style="list-style-type: none"> <li>• Definitions (S.2): Agreement, kinds of Agreements, Contract- kinds of contracts: Valid, Void, Voidable, Contingent and Quasi Contract and Econtract, distinguish between Agreement and Contract.</li> <li>• Offer or Proposal: definition, Essentials of Valid proposal or offer, counter offer, Standing or open offer, distinguish between offer and invitation to offer, Acceptance-definition, Essentials of a valid acceptance, Promise. Communication of Offer and acceptance and Revocation.</li> <li>• Capacity to contract (Ss.10-12), Consent and Free Consent (Ss.13-22)</li> <li>• Consideration (S.2 and 25) and Void Agreements (Ss.24-30)</li> </ul>
<b>2</b>	<b>Special contracts</b>
	<ul style="list-style-type: none"> <li>• Law of Indemnity and Guarantee (Ss.124-125, Ss-126-129,132-147)</li> <li>• Law of Bailment and pledge (Ss. (Secs148,152-154,162, 172,178,178A and 179)</li> <li>• Law of Agency (S. 182-185&amp; 201-209only)</li> </ul>
<b>3</b>	<b>The Sale of Goods Act 1930</b>
	<ul style="list-style-type: none"> <li>• Introduction, Definitions (Sec-2), Formalities of the contract of sale (Ss. 4- 10), Distinction between 'sale' and 'agreement of sell, Distinction between 'sale and hire-purchase agreement' Conditions and Warranties (11-17)</li> <li>• Transfer of property as between the seller and the buyer (sec-18-26)</li> <li>• Rights of an unpaid seller (Secs-45-54)</li> </ul>
<b>4</b>	<b>Negotiable instruments Act 1881</b>
	<ul style="list-style-type: none"> <li>• Meaning and Characteristics of Negotiable Instrument, Operational rules of</li> <li>• Evidence- Presumptions, classification of Negotiable Instruments. Promissory Notes and Bills of Exchange(Ss. 4,5,108-116) Essential elements of Promissory Note and Bill of Exchange, distinguish between Promissory note and Bill of Exchange. Acceptor and Acceptance,</li> <li>• Definition of Acceptor, Acceptance for honour, Absolute and qualified or conditional acceptance, Drawer, Drawee in case of Need(Ss.7,115&amp;116) Payee, Cheques, Types of Cheque and Penalties in case of dishonour of certain cheques, distinguish between cheque and Bill of exchange, (Secs: 6,123- 131A,138-147)</li> <li>• Miscellaneous Provisions: (Secs:8-10,22,99-102,118-122,134-137) Holder(S.8), Holder in Due Course(S.9), Rights and privileges of H.D.C. Payment in due course (S.10), Maturity of an Instrument (S.22), Noting (S.99), Protest (S.100-102). Bills in Set. (Sec.13)</li> </ul>

## AC 23/5/2016 Item No. – 4.3

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
with effect from the Academic Year 2016-2017***

### 2.3.6 Money Market

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Introduction	15
2	Regulatory Framework of RBI, FIMMDA	15
3	Money Market Instruments	15
4	Disadvantage features of a developed Money Market and recent developments in Money Market	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
1	<b>Introduction</b>
	<ul style="list-style-type: none"> <li>• Meaning of Money Market, features of money markets, importance of money market: Development of trade &amp; industry, Development of capital, market. Smooth functioning of commercial banks. Effective central bank control. Formulation of suitable monetary policy. source of finance to government</li> <li>• <b>Structure of Indian Money Market</b> <ul style="list-style-type: none"> <li>▪ <b>ORGANISED STRUCTURE:</b> Reserve bank of India, DFHI (discount and finance house of India), Commercial banks- Public sector banks, SBI &amp; subsidiaries, Cooperative banks, nationalised banks , Private banks- Indian Banks &amp; foreign banks, Development bank NABARD, LIC, GIC, UTI etc.</li> <li>▪ <b>UNORGANISED SECTOR:</b> Indigenous banks, Money lenders, Chits, Nidhis</li> <li>▪ <b>CO-OPERATIVE SECTOR:</b> State cooperative: central cooperative banks, Primary Agri credit societies, Primary urban banks, State Land development banks, central land development banks, Primary land development banks</li> </ul> </li> </ul>
2	<b>Regulatory framework of RBI, FIMMDA</b>
	<ul style="list-style-type: none"> <li>• Regulatory framework of RBI, FIMMDA (Fixed Income, Money Market and Derivatives Association) and Foreign Exchange Dealers Association of India (FEDAI)</li> </ul>
3	<b>Money Market Instruments</b>
	<ul style="list-style-type: none"> <li>• <b>Conventional:</b> Treasury bills, Money at call and short notice in the call loan market., Commercial bills, promissory notes in the bill market.</li> <li>• <b>Modern:</b> Commercial papers, Certificate of deposit, Inter-bank participation certificates, Repo instrument, Banker's Acceptance, Repurchase agreement,</li> <li>• <b>Money Market mutual fund:</b> meaning, advantages and disadvantages, regulatory framework for money market mutual funds, various money market funds operational in Indian market</li> </ul>
4	<b>Disadvantage features of a developed Money Market and Recent developments in Money Market</b>
	<ul style="list-style-type: none"> <li>• <b>Disadvantage of Money Market:</b> Inflation and reduction of Purchasing power of money, Absence of integration, absence of Bill market, No contact with foreign Money markets, Limited instruments, Limited secondary market, Limited participants</li> <li>• Characteristic features of a developed money Market, Highly organised banking system, Presence of central bank, Availability of proper credit instrument, Existence of sub-market, Ample resources, Existence of secondary market, Demand and supply of fund</li> <li>• Recent development in Money Market : Integration of unorganised sector with the organised sector, Widening of call Money market, Introduction of innovative instrument, Offering of Market rates of interest , Promotion of bill culture, Entry of Money market mutual funds, Setting up of credit rating agencies, Adoption of suitable monetary policy, Establishment of DFHI, Setting up of security trading</li> </ul>

## AC 23/5/2016 Item No. – 4.3

	corporation of India Ltd. (STCI)
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***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester III  
with effect from the Academic Year 2016-2017***

### 2.3.7 Business Taxation - Direct Tax

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Definitions u/s – 2 Basis of Charge	08
2	Exclusions from Total Income	07
3	Heads of Income	25
4	Deductions under Chapter VI – A	10
5	Computation of Total Income	10
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Definitions u/s – 2 Basis of Charge</b>
	<ul style="list-style-type: none"> <li>• <b>Definitions u/s - 2:</b> Section 2 – Assessee, Assessment Year, Assessment, Annual value, Business, Capital asset, Income, Person, Previous Year, Transfer</li> <li>• <b>Basis of Charge:</b> Section 3 – 9 – Previous Year, Residential Status, Scope Of Total Income, Deemed Income</li> </ul>
<b>2</b>	<b>Exclusions from Total Income</b>
	<ul style="list-style-type: none"> <li>• <b>Section 10</b> – restricted to, Agricultural Income, Sums Received From HUF By Member, Share of Profit from Firm, Casual &amp; Non – Recurring Receipts, Scholarships, Income of Minor Child, Allowance to Members of Parliament and Legislative Assembly.</li> <li>• <b>Note</b> -Exemptions related to specific Heads of Income to be covered with Relevant Provisions</li> </ul>
<b>3</b>	<b>Heads of Income</b>
	<ul style="list-style-type: none"> <li>• <b>Salary:</b> Section 15 – 17, Including Section 10 relating to House Rent Allowance, Travel Concession, Special Allowance, Pension – Commutation, Leave Encashment, Compensation, Voluntary Retirement, Payment from Provident Fund</li> <li>• <b>Income From House Property:</b> Section 22 – 27, Including Section 2 – Annual Value</li> <li>• <b>Profits and Gains from Business &amp; Profession:</b> Section 28-32, 36, 37, 40, 40A &amp; 43B. including.: Section 2 – Business</li> <li>• <b>Capital Gains:</b> Section 45, 48, 49, 50, 54 and 55</li> <li>• <b>Income from Other Sources:</b> Section 56 – 59</li> </ul>
<b>4</b>	<b>Deductions under Chapter VI – A</b>
	<ul style="list-style-type: none"> <li>• 80 A- Restriction on claim in Chapter VI- A deductions</li> <li>• 80 C – Payment of LIC/PF and other eligible investments</li> <li>• 80CCC – Contribution to certain Pension Fund</li> <li>• 80D – Medical Insurance Premium</li> <li>• 80 DD- Maintenance and medical treatment of handicapped dependent</li> <li>• 80E – Interest on Educational Loan</li> <li>• 80 TTA- Interest on Saving Bank account</li> <li>• 80U – Deduction in the case of totally blind or physically handicapped or mentally retarded resident person</li> </ul>
<b>5</b>	<b>Computation of Total Income</b>
	<ul style="list-style-type: none"> <li>• Computation of Total Income of Individual &amp; HUF</li> <li>• <b>Notes</b> <ol style="list-style-type: none"> <li>1. Relevant Law / Statute in force on 1st April immediately preceding commencement of Academic Year is applicable for ensuing examinations after relevant year.</li> <li>2. The syllabus is restricted to study of particular section/s, specifically mentioned in rules and notifications only.</li> <li>3. Practical Problems on computation of total income should not cover more</li> </ol> </li> </ul>

## AC 23/5/2016 Item No. – 4.3

	than two heads of income & two deductions.
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### Question Paper Pattern

Maximum Marks: 75

Questions to be Set: 05

Duration: 2 ½.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – Objectives- Based on all modules (a) Multiple Choice Questions (To ask 10 Questions of 1 mark each. Student to answer 8 questions) (b) Fill in the blanks/ True of false/ Answer in one sentence (To ask 10 Questions of 1 mark each. Student to answer 7 questions)	08 Marks  07 Marks
Q-2	Full length Question OR Full length Question	15 Marks
Q-3	Full length Question OR Full length Question	15 Marks
Q-3	Full length Question	15 Marks
Q-4	Full length Question OR Full length Question	15 Marks
Q-4	Full length Question	15 Marks
Q-5	Short Notes (To ask 5 short notes for 5 marks each covering all the modules. Student to answer any 3 short notes)	15 Marks

Q 2 / Q 3/ Q 4 may be subdivided into small questions of 7/8 marks depending upon the requirement of subject.

Q 2 / Q 3/ Q 4 may be for practical question and/or theory depending upon the module

Any subject based on law should be based on the act/ regulation in force as on 1st April of every financial year. For Academic year 2016-17 law in force on 1st April 2016 should be applicable.

AC 23/5/2016 Item No. – 4.3

**Revised Syllabus and Question Paper Pattern  
of Courses of B.Com. (Financial Markets)  
Programme  
at Semester IV**

Course No.	Title of the Course
2.4.1	Debt Markets - II
2.4.2	Equity Markets - II
2.4.3	Commodity Derivatives
2.4.4	Corporate Finance
2.4.5	Business Law - II
2.4.6	Foreign Exchange Markets
2.4.7	Computers in Investment

**With effect from Academic Year 2016-2017**

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester IV  
with effect from the Academic Year 2016-2017***

**2.4.1 Debt Markets - II*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Basic Concepts and Fixed Income Mathematics	15
2	Valuation	15
3	Tracking Fixed Income Markets	15
4	Portfolio Management - Fixed Income	15
	<b>Total</b>	<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
1	<b>Basic Concepts and Fixed Income Mathematics</b>
	<ul style="list-style-type: none"> <li>• Introduction to fixed income pricing</li> <li>• Yield curve, Bond mathematics</li> <li>• Duration and Convexity</li> <li>• Duration - including modified and Maculay Duration, Convexity</li> </ul>
2	<b>Valuation</b>
	<ul style="list-style-type: none"> <li>• Valuation of simple debt instruments, Valuation of bonds , Bond prices and interest rates</li> <li>• Valuation of complex debt instruments</li> <li>• Valuation of convertible bonds, Valuation of options, Black Scholes option pricing models, Introduction to the Greeks</li> <li>• Exotic debt instruments</li> <li>• MBS, CDS, Principal protected ELD, CDO</li> </ul>
3	<b>Tracking Fixed Income Markets</b>
	<ul style="list-style-type: none"> <li>• Tracking bond markets</li> <li>• The bond traders arsenal of economic indicators, Inflation, Monetary policy, Government deficits, Currency valuation, The subprime crisis and the role of debt markets in the crisis – Then and now</li> </ul>
4	<b>Portfolio Management - Fixed Income</b>
	<ul style="list-style-type: none"> <li>• <b>Bond portfolio management strategies:</b> What is a bond portfolio strategies, Types of bond management strategy, Active, passive, neutral strategies</li> </ul>

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester IV  
with effect from the Academic Year 2016-2017***

**2.4.2 Equity Markets - II*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Developments in the Indian Equity Market	15
2	Security Analysis & Valuation of Securities	15
3	Statistical Analysis of Share price movement	15
4	Dealings in Stock Exchanges	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Developments in the Indian Equity Market</b>
	<ul style="list-style-type: none"> <li>• Domestic savings &amp; investments</li> <li>• Disinvestments, FDI &amp; Foreign Institution Investment</li> <li>• Role of Retail Investors</li> <li>• Share Price &amp; Share Price Volatility</li> <li>• Role of SEBI</li> </ul>
<b>2</b>	<b>Security Analysis &amp; Valuation of Securities</b>
	<ul style="list-style-type: none"> <li>• Factors affecting Share Prices</li> <li>• Fundamental Analysis in detail.</li> <li>• Technical Analysis in detail</li> <li>• Macro Economic factors</li> <li>• Market related factors</li> </ul>
<b>3</b>	<b>Statistical Analysis of Share price movement</b>
	<ul style="list-style-type: none"> <li>• Efficient Market Hypothesis</li> <li>• Stochastic Models</li> <li>• Brownian Motion</li> </ul>
<b>4</b>	<b>Dealings in Stock Exchanges</b>
	<ul style="list-style-type: none"> <li>• Role of Brokers</li> <li>• Stock Market Quotations</li> <li>• Procedure for buying &amp; selling</li> <li>• BOLT - On Line Trading/ NEAT System</li> <li>• Clearing &amp; Settlement</li> </ul>

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester IV  
with effect from the Academic Year 2016-2017***

**2.4.3 Commodity Derivatives*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Introduction of Derivatives	15
2	Pricing commodity derivatives	15
3	Trading	15
4	Regulatory Framework	15
<b>Total</b>		<b>60</b>

## AC 23/5/2016 Item No. – 4.3

SN	Modules/ Units
<b>1</b>	<b>Introduction of Derivatives</b>
	<ul style="list-style-type: none"> <li>Derivatives definition, types of derivatives, products, participants and functions, exchange traded vs. OTC derivatives. How commodity derivatives differ from financial derivatives, warehousing, quantity of underlying assets, global commodities exchange, commodities exchange in India, commodities permitted for trading, Kabra committee report, commodity specific issues - cropping and growth patterns, Global domestic demand -supply dynamics, price trends and factors that influence prices, Instrument available for trading : Types of instruments (futures and options), basics, payoffs</li> </ul>
<b>2</b>	<b>Pricing commodity derivatives</b>
	<ul style="list-style-type: none"> <li>Investment assets vs. consumption assets, The cost of carry model - pricing futures contracts on investment commodities, pricing futures contracts on consumption commodities, The futures basics, Concept of Hedging, Speculation, Arbitrage</li> </ul>
<b>3</b>	<b>Trading</b>
	<ul style="list-style-type: none"> <li>Basic concepts such as margins, circuit filters - delivery norms – contract specifications, trading system, and entities in the trading system, trader workstation, order types and conditions, exposure limits.</li> <li>Commodities to be traded: Types of commodities: Bullion (silver and Gold), Agricultural commodities.</li> <li>Clearing, settlement and Risk Management: calendar and settlement schedule, position determination, settlement mechanism, daily mark to market settlement, settlement price - daily settlement price, final settlement price, Margining – Initial margin, Daily mark to Market margin, open interest limits, second line of defence, NSCCL span.</li> <li>Final Settlement : Cash settlement, physical settlement (warehousing)</li> <li>Exception handling : funds shortages, Delivery shortages</li> </ul>
<b>4</b>	<b>Regulatory Framework</b>
	<ul style="list-style-type: none"> <li>Forward market commission - Rules governing Commodity</li> <li>Derivatives Exchange, Rules Governing Intermediaries, Investor Grievances, Arbitration Rules.</li> </ul>

**AC 23/5/2016 Item No. – 4.3**

***Revised Syllabus and Question Paper Pattern of courses of  
B.Com. (Financial Markets) Programme at Semester IV  
with effect from the Academic Year 2016-2017***

**2.4.4 Corporate Finance*****Modules at a Glance***

<b>SN</b>	<b>Modules</b>	<b>No. of Lectures</b>
1	Overview and Planning Corporate Financial Activities	15
2	Controlling the Corporate Financial Activities	15
3	Sources and Methods of Raising Corporate Finance	15
4	Corporate Financial Activities	15
<b>Total</b>		<b>60</b>

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SN	Modules/ Units
<b>1</b>	<b>Overview and Planning Corporate Financial Activities</b>
	<ul style="list-style-type: none"> <li>• Emergence of corporate finance, Need, Role and functions of corporate financial manager</li> <li>• Planning the corporate financial activities: Cost of Capital, Break-even analysis.</li> </ul>
<b>2</b>	<b>Controlling the Corporate Financial Activities</b>
	<ul style="list-style-type: none"> <li>• Role of Financial institution in long term finance</li> <li>• Maximising the wealth of shareholders</li> <li>• Corporate governance practises</li> <li>• Controlling Mechanism if RBI in raising corporate finance</li> </ul>
<b>3</b>	<b>Sources and Methods of Raising Corporate Finance</b>
	<ul style="list-style-type: none"> <li>• Types and features of corporate securities currently available</li> <li>• Management of new issues including pricing of securities</li> <li>• Commercial banks and investment banks in financing the corporate sector</li> <li>• Leasing as a method of corporate finance</li> <li>• Venture Financing</li> <li>• Credit rating services</li> </ul>
<b>4</b>	<b>Corporate Financial Activities</b>
	<ul style="list-style-type: none"> <li>• Capital structure</li> <li>• Capital Budgeting- Payback period , NPV, ARR, DCF analysis</li> </ul>

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### 2.4.5 Business Law - II

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Companies Act, 2013	15
2	IPR, copyrights and trade marks	15
3	Partnership Act, 1932	15
4	Consumer Protection Act, 1986 and Competition Act, 2002	15
<b>Total</b>		<b>60</b>

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SN	Modules/ Units
1	<b>Companies Act, 2013</b>
	<ul style="list-style-type: none"> <li>• Company and its formation, Definition and Nature of Company, Advantages and Disadvantages of a Company, Lifting of Corporate Veil with cases, Promoters and preliminary contracts (S.92-93), Types of Companies. (Meaning and Concepts Only) Chartered Companies Statutory Companies, Registered companies under the Act. OPC (S. 3(1)), Companies limited by shares, Companies Limited by guarantee, Private Company, Public Company, Producer Companies (Sec 581 A to 581 Z-) Formation of Companies with charitable objects (Sec. 8), Holding Company and Subsidiary company, Small Company (S. 2(85)) Dormant Company (S.455) Documents and procedure for Incorporation of Company, Effect of Incorporation.(S.9)</li> <li>• <b>Membership of a Company:</b> Who can become member, Modes of acquiring membership, Cessation of membership, Rights and Liabilities of Members</li> <li>• Memorandum of Association and Articles of Association: Meaning, Concept, Clauses, effects of Memorandum and articles, Doctrine of Ultra Vires, Doctrine of Indoor Management, Doctrine of Constructive Notice.</li> <li>• <b>Prospectus:</b> Meaning (S.2) When to be issued, When not required, Various kinds of prospectus, legal framework for issuance of Prospectus, Contents of Prospectus, Private Placements</li> <li>• Classification of Directors, women directors, independent director, small shareholder's director, disqualification of a director, Director Identification number, appointment, Legal position, powers and duties, Position of director as key managerial personnel, managing director, manager.</li> <li>• <b>Meetings:</b> Various types of meeting of shareholders and board, convening and conduct of meetings, postal ballot, meetings through video conferencing, e-voting.</li> </ul>
2	<b>IPR, copyrights and trade marks</b>
	<ul style="list-style-type: none"> <li>• Intellectual Property rights in India Introduction and Types.</li> <li>• <b>Patents</b> - Meaning, Salient features of Patent Conditions for an invention to be patented, what is Patentable, What is not patentable? Procedure for Obtaining a Patent, Opposition to Grant of Patent (S. 25, 26) Term of Patent, How does a patent expire? Remedies available to the Patent Owner for Infringement of Patent Rights.</li> <li>• Copyrights: Meaning (S. 14) Copy right Board and registration of Copy right (S. 11, S.44-50) Term of Copy right (S. 22-29) What works are protected, rights, who owns the rights and duration. Meaning of Fair use. Infringement of Copy rights and remedies (S. 51-55,57,58,63,64,65)</li> <li>• Trade- marks, Meaning Concept, functions of Trade mark, Types of Trade Marks,</li> </ul>

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	Trademarks that cannot be registered Registration of Trade Mark, Procedure for Registration of TM, Infringement and remedies, passing off, service marks.
<b>SN</b>	<b>Modules/ Units</b>
<b>3</b>	<b>Partnership Act, 1932</b>
	<ul style="list-style-type: none"> <li>• <b>Indian Partnership Act, 1932 (Sections,4,5,6,7,8,14 &amp; 39-55):</b> Definition, Essentials, Types of Partnerships and types of Partners Test of partnership, and Sharing of profits is not the real test of partnership (Sec6), Partnership deed, and property of the firm,</li> <li>• <b>Reconstitution of Partnership firms, Dissolution of the firm. Limited Liability Partnership, 2008:</b> Definitions (S.2), Body corporate, Business, Partner. Concept, Salient features, Nature of LLP (Ss-3-10) Distinction between LLP and partnership, and LLP and LLP and Company Extent and limitation of liability of LLP and its partners (Ss. 26-31) Conversion to LLP (Ss. 55-58) Winding up and Dissolution of the LLP (Ss. 63-65)</li> </ul>
<b>4</b>	<b>Consumer Protection Act,1986 and Competition Act, 2002</b>
	<ul style="list-style-type: none"> <li>• <b>Consumer Protection Act, 1986 and Competition Act, 2002:</b> Introduction, Definitions: Consumer, Defect, Deficiency and unfair trade practices, manufacture, Consumer Councils. Consumer Protection Redressal Agencies- Jurisdiction. Penalties for frivolous complaints.</li> <li>• <b>Competition Act, 2002:</b> Objectives of the Act, Salient features-Anti Competitive Agreements. Prevention of abuse of dominant position, Combination, Competition Advocacy, Competition Commission of India.</li> </ul>

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### 2.4.6 Foreign Exchange Markets

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Introduction to Foreign Exchange Market	15
2	Market Participants	15
3	Some important operational aspects of Foreign Exchange Market and Foreign Exchange Contracts	15
4	Foreign Exchange Arithmetic and Risk Management	15
<b>Total</b>		<b>60</b>

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SN	Modules/ Units
<b>1</b>	<b>Introduction to Foreign Exchange Market</b>
	<ul style="list-style-type: none"> <li>• Forex trading volume, Forex trading locations</li> <li>• Details about major traded currencies, Evolution of foreign exchange market and foreign exchange System</li> </ul>
<b>2</b>	<b>Market Participants</b>
	<ul style="list-style-type: none"> <li>• Banks and financial institutions, Merchants, Other customers ,Speculators and hedgers Central banks, Forex Dealers/market makers and brokers, Forex Trading and SWIFT Robots and forex trading</li> </ul>
<b>3</b>	<b>Some important operational aspects of Foreign Exchange Market and Foreign Exchange Contracts</b>
	<ul style="list-style-type: none"> <li>• <b>Floating Rate, Currency Boards &amp; Currency Basket Systems:</b> Brief review on various exchange rate regime, Advantages of free and fixed exchange rate regime, Pros &amp; cons of managed floating exchange rate regime Prevalence of Currency Boards Regime, Practice of Currency Basket Regime</li> <li>• <b>Foreign Exchange Contracts: Spot and Forward Contracts Cash, Spot trading:</b> Trade Date, settlement PR date Spot trading rollover mechanism, Foreign Exchange Forward contracts, Fixed Maturity Contract, Partially Optional, Contract, Fully Optional Contract, Non-Delivery Forward Contracts, Foreign Exchange Futures Contract , Different dimensions of foreign exchange future contract specification trading at National Stock Exchange of India.</li> </ul>
<b>4</b>	<b>Foreign Exchange Arithmetic and Risk Management</b>
	<ul style="list-style-type: none"> <li>• Types of Exchange Rate:               <ul style="list-style-type: none"> <li>▪ Direct Indirect Cross Rate- Arbitrage- Geographical, Triangular</li> <li>▪ Interest rate - Spot Contracts, Forward contracts and Swap Points</li> </ul> </li> <li>• The risks element in foreign exchange markets Need &amp; Importance of foreign exchange management Methods adopted (spot &amp; forward, arbitrage, cross currency deals, swaps, options &amp; futures)</li> </ul>

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### 2.4.7 Computers in Investment

#### *Modules at a Glance*

SN	Modules	No. of Lectures
1	Advanced Excel	15 + 05 Practicals
2	DBMS	15 + 05 Practicals
3	Modern Internet Technologies ERP, SCM, CRM	10
4	Net Banking and Online Banking	10
<b>Total</b>		<b>60</b>

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SN	Modules/ Units
<b>1</b>	<b>Advanced Excel</b>
	<ul style="list-style-type: none"> <li>• Pivot, Advanced formulae, Lookups, Macros</li> <li>• Working with other programmes               <ul style="list-style-type: none"> <li>▪ Inserting an excel sheet in word document</li> <li>▪ Modifying an inserted Excel worksheet</li> <li>▪ Inserting a linked Excel chart in a Word Document</li> <li>▪ Inserting graphic I a worksheet</li> </ul> </li> </ul>
<b>2</b>	<b>DBMS</b>
	<ul style="list-style-type: none"> <li>• Concepts, Tables, Fields, data types</li> <li>• RDBMS</li> <li>• Primary Key, Foreign Key</li> <li>• Introduction to MS Access</li> </ul>
<b>3</b>	<b>Modern Internet Technologies ERP, SCM, CRM</b>
	<ul style="list-style-type: none"> <li>• Online Trading Softwares</li> </ul>
<b>4</b>	<b>Net Banking and Online Banking</b>
	<ul style="list-style-type: none"> <li>• Other Emerging Technologies</li> </ul>

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### Question Paper Pattern

Maximum Marks: 75

Questions to be Set: 05

Duration: 2 ½.

All Questions are Compulsory Carrying 15 Marks each.

Q-1	Compulsory – Objectives- Based on all modules (c) Multiple Choice Questions (To ask 10 Questions of 1 mark each. Student to answer 8 questions) (d) Fill in the blanks/ True of false/ Answer in one sentence (To ask 10 Questions of 1 mark each. Student to answer 7 questions)	08 Marks  07 Marks
Q-2	Full length Question OR Full length Question	15 Marks
Q-3	Full length Question OR	15 Marks
Q-3	Full length Question	15 Marks
Q-4	Full length Question OR	15 Marks
Q-4	Full length Question	15 Marks
Q-5	Short Notes  (To ask 5 short notes for 5 marks each covering all the modules. Student to answer any 3 short notes)	15 Marks

Q 2 / Q 3/ Q 4 may be subdivided into small questions of 7/8 marks depending upon the requirement of subject.

Q 2 / Q 3/ Q 4 may be for practical question and/or theory depending upon the module

Any subject based on law should be based on the act/ regulation in force as on 1st April of every financial year. For Academic year 2016-17 law in force on 1st April 2016 should be applicable.

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#### Reference Books

Reference Books
<b>Equity Markets</b>
<ol style="list-style-type: none"> <li>1. <i>Equity Markets in India- Shveta singh &amp; P K Jain</i></li> <li>2. <i>Equity and Debt Markets- Hardeep Kaur</i></li> <li>3. <i>An Introduction to Equity Markets- David Dasey</i></li> </ol>
<b>Money Markets</b>
<ol style="list-style-type: none"> <li>1. <i>Money Market Operations in India- A K Sengupta</i></li> <li>2. <i>The Indian Money Market- Krishna Kumar sharma</i></li> <li>3. <i>Stiguam's Money Market- Marcia Stigum</i></li> <li>4. <i>CNBC Guide to Money and Markets</i></li> </ol>
<b>Debt Markets</b>
<ol style="list-style-type: none"> <li>1. <i>Bhardwaj, Gautam, (2008), The Future of India's Debt Market, Tata McGraw Hill.</i></li> <li>2. <i>Suryanarayan, (2002), Debt Market, ICFAI Publication Press.</i></li> <li>3. <i>Fabozzi, Frank, (2004), Fixed Income Analysis Workbook, 2nd edition, John Wiley &amp; Sons</i></li> <li>4. <i>Shah, Ajay, Thomas, Sushan and Gorham, Michael, (2008), Indian Financial Markets, Elsevier, USA</i></li> <li>5. <i>FIMMDA-NSE Debt Market (Basic) Module, Workbook from NSE.</i></li> <li>6. <i>Dun and Bradstreet, (2008), Fixed Income Securities, Tata McGraw Hill.</i></li> </ol>
<b>Commodity Markets/ Commodity Derivatives</b>
<ol style="list-style-type: none"> <li>1. <i>Commodities Market Module, Workbook from NSE</i></li> <li>2. <i>Chatnani, (2010), Commodity Markets, 1st edition, Tata McGraw Hill.</i></li> <li>3. <i>Kleinman, George, (2001), Commodity Futures &amp; Options, 2nd (revised, illustrated edition), Prentice Hall.</i></li> <li>4. <i>Stephens, John. (2001), Managing Commodity Risk, John Wiley &amp; Sons.</i></li> <li>5. <i>Indian Institute of Banking &amp; Finance, (2007), Commodity Derivatives, Macmillan India Ltd</i></li> </ol>
<b>Business Law</b>
<ol style="list-style-type: none"> <li>1. <i>Indian Contract Act, Sale of Goods Act and Partnership Act – Desai T R – S C – Sarkar and sons</i></li> <li>2. <i>The Negotiable Instruments Act – Khergamwala JS – N M Tripathy</i></li> <li>3. <i>The Principles of Mercantile Law – Singh Avtar – Eastern Books Co.</i></li> <li>4. <i>Companies Act 2013 by Ravi Puliani, Bharat Publication</i></li> <li>5. <i>Companies Act 2013 by Taxmann</i></li> </ol>
<b>Direct Tax</b>
<ol style="list-style-type: none"> <li>1. <i>Students guide to Income Tax, V. K. Singhania, Taxman</i></li> <li>2. <i>Systematic approach to Income Tax, Ahuja &amp; Gupta, Bharat Law Publication</i></li> <li>3. <i>Income Tax, T. M. Manorahan, –</i></li> <li>4. <i>Direct Tax ready reckoner, N. V. Mehta, Kuber Publication</i></li> </ol>

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#### Reference Books

<b>Reference Books</b>
<b>Foreign Exchange Markets</b>
<ol style="list-style-type: none"> <li>1. <i>Foreign Exchange Market- Dun and Bradstreet</i></li> <li>2. <i>International Financial Markets and Foreign Exchange- Shashi K Gupta and Parneet Ranjgi</i></li> </ol>
<b>Corporate Finance</b>
<ol style="list-style-type: none"> <li>1. <i>Cost Management by Saxena &amp; Vashist</i></li> <li>2. <i>Cost &amp; Management Accounting by Ravi N.Kishor ,Publication Taxmonth</i></li> <li>3. <i>Essential of Management Accounting by P.N.Reddy,Himalaye</i></li> <li>4. <i>Advanced Management Accounting by Robert S Kailar,Holl</i></li> <li>5. <i>Financial Of Management Accounting by S.R.Varshney,Wisdom</i></li> <li>6. <i>Introduction of Management Accounting by Charbs T Horngam, PHI Learning</i></li> <li>7. <i>Management Accounting by I.m.Pandey, Vikas</i></li> <li>8. <i>Cost &amp; Management Accounting by D.K.Mattal,Galgotia</i></li> <li>9. <i>Management Accounting by Khan &amp; Jain,Tata Megaw</i></li> <li>10. <i>Management Accounting by R.P.Resstogi</i></li> </ol>
<b>Management accounting</b>
<ol style="list-style-type: none"> <li>1. <i>Prasanna Chandra: Financial Management (TMH),</i></li> <li>2. <i>I. M. Pandey – Financial Management (Vikas),</i></li> <li>3. <i>M. Y. Khan 7 P. K. Jain – Financial Management (TMH),</i></li> <li>4. <i>Brigham &amp; Houston – Fundamentals of Financial Mgmt., Thomson Cengage Learning</i></li> <li>5. <i>Fundamentals of Financial Management – Vanhorns &amp; Bhandari- Pearson evaluation.</i></li> <li>6. <i>Contemporary Financial Management – Kothari &amp; Dutta – Machanilan India Ltd.</i></li> <li>7. <i>Financial Markets &amp; Institution – Guruswamy – Thomson / Cengage Learning</i></li> <li>8. <i>Stephen A. Ross, Wester FIELD, Jordan – Fundamentals of Corporate Finance (Mac Graw Hill)</i></li> <li>9. <i>Vanhorne &amp; Wachowicz, Fundamentals of Financial Management – Pearson/PHI, 12/e, 2003</i></li> <li>10. <i>Damodaran, Corporate Finance – John Wiley &amp; Co.</i></li> </ol>
<b>Computer Application for Business</b>
<ol style="list-style-type: none"> <li>1. <i>Fundamentals of Computers – Rajaram V – Prentice Hall</i></li> <li>2. <i>Computer today (3rd edition) – Sanders, Donald H – McGraw Hill</i></li> <li>3. <i>Computers and Common sense – Hunt, Roger and Shelly John – Prentice Hall</i></li> <li>4. <i>Computers – Subramaniam N – Wheeler</i></li> <li>5. <i>Introduction to Computers – Xavier C. – New Age</i></li> <li>6. <i>Computer in Business – Sanders D – McGraw Hill</i></li> <li>7. <i>Computers and Information Management – S C Bhatnagar &amp; V Ramant – Prentice Hall</i></li> <li>8. <i>Internet for Business – Brummer, Lavrej – Cambridge</i></li> <li>9. <i>E-mail for Everyone – Leon Alexis &amp; leon – Methews</i></li> <li>10. <i>Basic Computer Programmes for Business – Sternberg C – New Jersey Hayden</i></li> </ol>