

Veer Narmad South Gujarat University

Stock Exchange and Portfolio Management-I (FIN)

T.Y. B.B.A., Semester V

Effective from June 2013

Objective: To orient students with basic knowledge of capital market.

1. INTRODUCTION TO CAPITAL MARKET

30%

- Meaning, structure of Indian capital market, importance of capital market, Recent trend & reforms in capital market.
- Primary market: meaning, kinds of issues (IPO,FPO, Right issues, preferential issues), functions of primary market, market capitalization, process of IPO, book building process, foreign capital issuance : ADR, GDR.
- Secondary Market: stock exchanges (NSE,BSE,OTCEI), stock indices, difference between primary market & secondary market, bid & ask price.

2. SECONDARY MARKET OPERATIONS FOR EQUITY SEGMENT

40%

- Classification of securities : Group A, Group B, Group Z, Group TTT, , types of order, order management, Basic types of transactions : Long purchase, margin trading, short selling, current clearing & rolling settlement procedure, basket trading, circuit breakers & price band, margin : Value at risk (VaR), extreme loss margin , Mark-to-market margin, insider trading.
- Brief idea about Merchant Banking, SEBI & Listing procedure of shares
- Demat service : NSDL, CDSL, International securities identification number(ISIN), Depository process : Dematerialize process , rematerialize process , market transfer process, Advantages & drawback of depository system
- Credit rating system : concept & name of agencies
- Mutual Fund : Meaning & types of mutual fund (on the basis of objective, on the basis of flexibility), benefits of mutual fund, NAV, Entry load & exit load, Risk in mutual fund, ETF(Exchange traded fund)

3. INTRODUCTION OF DERIVATIVE MARKET

30%

- Meaning of derivative, Growth of Derivative Markets in India- History & background,
- products of derivative market : forward, future, options, LEAPS, Swaps,
- Types of Traders – Hedger, arbitrageur & speculator
- Standardization of Derivative contracts
- Spot V/s future market

Reference Books

1. S. Kevin, Security Analysis and Portfolio Management, PHI EEE
2. E. Gordon K. Natarajan, Capital Market In India, Himalaya Publication
3. V. A. Avadhani, Investment Management – V.A. AVADHANI
4. V. K. Bhalla, Security Analysis And Portfolio Management, S. Chand
5. Vohra & Bagri, Futures and Options, Tata McGraw hill Latest Edition