

- Hilgard, E. & Bower, G. H. (1966). *Theories of learning*. United States: Englewood Cliffs: Prentice Hill.
- Mishra, R. C. (2005). *Guidance & counselling*. (2 vols). Delhi, India: APH, Publishing Cooperation.
- Page-Tickell, R. (2018). *Learning and development: a practical introduction*. (Vol. 15). India: Kogan Page.
- Parry-Slater, M. (2021). *The learning and development handbook: a learning practitioner's toolkit*. India: Kogan Page.
- Rao, A. K. N. (2002). *Guidance and counselling*. Delhi, India: APH Publishing Corporation.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on the Department's website.

Discipline Specific Elective Course- 6.2 (DSE-6.2): Investment Banking and Financial Services

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
DSE-6.2: Investment Banking and Financial Services	4	3	1	0	Pass in Class XII with Mathematics/Accountancy	NIL

Learning Objectives

The course aims to provide students with necessary theoretical and conceptual understanding of investment banking and financial services.

Learning Outcomes

After completion of the course, students will be able to:

1. Evaluate investment banking evolution, various activities and structure.

2. Analyse the process of issue management.
3. Examine role and functions of Mutual funds, Pension fund, Insurance and Leasing.
4. Examine role and functions of NBFC, Credit rating, Financial counselling, Portfolio management service, securitization, factoring and forfeiting.
5. Analyse process of Mergers and Acquisitions, its valuation techniques and methods of corporate restructuring.

SYLLABUS OF DSE-6.2

Unit 1 Investment Banking (9 hours)

Investment Banking: Introduction: Concept, Importance; Commercial Banks vs. Investment banks; Functions of Investment Banks; Types of Investment banking operations; Investment Banking in India – Evolution, characteristics; Recent Developments and the way ahead; Structure of Investment Banks; SEBI guidelines for Merchant Bankers, Pre-issue and Post-issue regulatory framework.

Unit 2 Issue Management (9 hours)

Issue Management: Emergence and role of Capital markets, Types of Issue: Public Issue, Book building, Green Shoe option, Private placements, Preferential allotment, Rights Issue, Bonus Issue, Depository Receipts; Process of Issue Management; Lead Managers – Duties and responsibilities of Lead Managers; Underwriting- concept and types; Issue management intermediaries; De-mat account – Concept and importance; Depository System – NSDL, CDSL.

Unit 3 Financial Services -I (9 hours)

Financial Services -I: Leasing – Concept and types of leasing; Venture Capital – various steps in venture financing; Start-ups – Concept and financing; Mutual Funds - Role, Types of Mutual Funds; Pension Funds; Insurance- Classification, Principles of insurance; An Overview of Regulatory Framework – RBI, SEBI, IRDA, PFRDA.

Unit 4 Financial Services -II (9 hours)

Financial Services -II: Banking products and services – Recent trends; Innovations in banking sector; NBFCs - Concept, Commercial Banks vs. NBFCs, Services provided by NBFCs; Housing Finance- Concept and Types, Housing Finance institutions; Credit Rating- Concept and significance, Credit Rating Agencies; Factoring and Forfaiting; Securitisation – concept, securitisation as a funding mechanism; Financial Counselling; Portfolio management services.

Unit 5 Mergers and Acquisitions (9 hours)

Mergers and Acquisitions: Process of M&A, Role of Investment Bankers in M&A; Rationale and considerations of M&A; Financial Evaluation of M&A; Valuation techniques – Comparable companies analysis, Precedent Transaction analysis, Discounted Cash Flow Analysis, Leveraged Buyouts; Takeover defenses; Corporate Restructuring – Methods of corporate restructuring; Challenges: Legal, ethical and governance issues in Investment Banking.

Exercises:

The learners are required to:

1. Compile various forms and documents required to be registered as a Merchant Banker.
2. Compile various forms and documents required for pre-issue and post-issue management of Equity shares.
3. Make a comparison of 1-year and 3-year holding period return offered by two mutual funds belonging to the same risk class
4. Compare credit rating of all the debt securities issued by any two companies. Analyse its effect on the credit worthiness of the company in terms of coupon rate and yield.
5. Compile various incidents where different companies have successfully defended a hostile takeover bid.

Suggested Readings:

- Frederic, S. M., & Stanley, G. E. (2021). *Financial markets and institutions*. Delhi, India: Pearson Education.
- Gordon, E., & Natarajan, K. (2023). *Financial markets and services*. Mumbai, India: Himalaya Publishing House.
- Khan, M. Y. (2019). *Financial services*. Delhi, India: Tata McGraw Hill..
- Khan, M. Y. (2019). *Indian financial system*. Delhi, India: Tata McGraw Hill.
- Pathak, B. V. (2018). *Indian financial system: markets, institutions and services*. Delhi, India: Pearson Education.
- Pratap, G. S. (2021). *Investment banking*. (4th ed.). India: McGraw Hill.
- Saunders, A., Cornett, M. M. & Erhemjamts, O. (2022). *Financial markets and institutions*. (8th ed.). Tata McGraw Hill.
- Shanmugham, R. (2017). *Financial services*. Wiley.

Additional Resources:

- www.sebi.gov.in
- <https://www.rbi.org.in/>
- <http://www.tin-nsdl.com>
- <http://www.cdslindia.com>
- www.financialservices.gov.in
- <http://www.irdai.gov.in>
- <http://www.pfrda.org.in/pfrda.org.in>

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