



## HIMACHAL PRADESH NATIONAL LAW UNIVERSITY, SHIMLA

### Semester-V

**B.B.A. LL.B. Hons. (FYIP)**  
**Money and Banking**

**Course Code: BBL- 505A**  
**Credit: 04**

#### **Brief Introduction to the Subject:**

This course has been designed for students to increase their familiarity with the practical applications of financial management. The four modules provide students with an opportunity to acquire a high level of expertise in central areas of financial management of firms, covering topics such as firm valuation, financing, investments, dividend decisions, working capital management as well as risk management.

#### **Course Objectives:**

1. To help students identify a business financial risks and the principal methods of managing those risks.
2. The course will enable the student to understand how corporations make essential investments and financing decisions and how they establish working capital policies.
3. To help the students understand how firms meet their financial objectives utilizing financial decision-making.
4. This course will also explain financial tools and techniques which can be used to help firms maximize value by improving decisions relating to capital budgeting, capital structure, and working capital management.

#### **Learning Outcomes:**

1. The students will be able to make decisions regarding capital structure, identify capital requirements of businesses, assess financing options and recommend appropriate methods of financing.
2. The students will be able to make decisions regarding capital budgeting projects and apply various methods to analyze projects.
3. Helpful in payout decisions and framing appropriate dividend policy.
4. Helpful in liquidity decisions and working capital management.

## **Module-1**

### **Indian Financial System & Banking**

- 1.1 Indian Financial System: Introduction, Structure, Components, Significance, Role of Financial Institutions in Capital Formation and Economic Growth;
- 1.2 Banking System: Introduction to Commercial Banks, Theoretical Basis of Banking Operation, Special Roles of Banks, Organization and Structure of Commercial Bank;
- 1.3 Commercial Banks: Major Services provided by Commercial Banks, Non Performing Assets and Classification of Assets, Role of Commercial Banks in a Developing Country, Recent trends in the activities of Commercial Banks;
- 1.4 Regional Rural Banks: Growth of Regional Rural Banks in India, Role of RRBs and their Functioning;
- 1.5 Co-operative Banks: Introduction, Evolution & Structure of Co-operative Banks, Features, Growth of Co-operative Banking in India, Weaknesses of Co-operative Banks.

## **Module-2**

### **Regulatory Bodies**

- 2.1 Central Banking: Organization, Management & Functions;
- 2.2 Understanding Monetary Policy of RBI and various techniques of Monetary Control;
- 2.3 Difference between Central Bank and Commercial Bank, Role of Central Bank in Developing Economy;
- 2.4 SEBI: Management of SEBI, Powers and Functions of SEBI, Regulation, Guidelines and Schemes issued by SEBI, Regulation of Security market;
- 2.5 Other Regulatory Institutions in India: IRDA, PFRDA.

## **Module-3**

### **Financial Institutions**

- 3.1 Non-Bank Financial Institutions (NBFIs) in India: Role of Non-Bank Financial Intermediaries, Distinction between Banks and Non-Bank Financial Intermediaries, small savings, Pension Funds and Provident Funds;
- 3.2 Insurance Companies: Principle of Insurance, Types of Insurance, Objectives and Role of Insurance Organizations;

- 3.3 Mutual Funds and Investment Trusts: Introduction, Types of Mutual Funds, Advantages and disadvantages of Investing in Mutual Funds, Regulation and Supervision of Mutual Funds, Systematic Investment Plan;
- 3.4 Miscellaneous Non- Bank Financial Intermediaries;
- 3.5 Non-Bank Financial Statutory Organization (NBSFO) in India: Nature and Functions of NBSFO, Various NBSFO and their functioning, Development Banking in India.

#### **Module-4**

#### **Financial Markets**

- 4.1 Introduction to Financial Markets in India: Role and Importance of Financial Markets, Financial Markets: Money Market; Capital Market; Linkages Between Economy and Financial Markets ;
- 4.2 Primary market: Introduction to Primary Market, Activities & Procedure;
- 4.3 Secondary Market in India: Introduction to Stock Markets, Regional and Modern Stock Exchanges & Financial Instruments;
- 4.4 Money Markets: Meaning, role and participants in money markets, Segments of money markets, Call Money Markets, Repos and reverse Repo concepts, Treasury Bill Markets, Market for Commercial Paper, Commercial Bills and Certificate of Deposit;
- 4.5 Debt Market: Introduction and meaning, Market for Government/Debt Securities in India.

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*Sundar*  
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**Prescribed Books:**

1. Samuelson, Paul, Economics, Tata McGraw Hill Publishing Company Limited, New Delhi, 18<sup>th</sup> Edition, 2006.
2. F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6<sup>th</sup> Edition, 2010.
3. F. J. Fabozzi, F. Modigliani, F. J. Jones, M,et al, Foundations of Financial Markets and Institutions, Pearson Education, 3<sup>rd</sup> Edition, 2001.

**Reference Books:**

1. L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5<sup>th</sup> Edition, 2011.
2. M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7<sup>th</sup> edition, 2011.
3. Hajela, T.N, Money and Banking: Theory with Indian banking, New Delhi, Ane books Pvt. Ltd, 2019.
4. Iyengar, Money Matters: Macroeconomics and Financial markets, New Delhi, Sage Publications, 1<sup>st</sup> Edition, 2011.
5. Uppal, R.K, Money, Banking and Finance: Evolution and Present, Structure, New Delhi, new century publications, 2011.
6. Various latest issues of R.B.I. Bulletins, Annual Reports, Reports on Currency and Finance and Reports of the Working Group, IMF Staff Papers.

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