

H. L. College of Commerce (Autonomous)

Self-Financed Programmes

B.Com. – Banking and Financial Services Syllabus

Sem: 3	Course Code:	Course Title: Equity Markets
Credits: 4	BFM-207-2C	Course Category: Major Course

Course Objective: This course aims to provide students with a comprehensive understanding of the structure and functioning of equity markets, with a special focus on the Indian context. It introduces the fundamental concepts, instruments, and participants involved in both primary and secondary markets. The course equips learners with knowledge of trading procedures, regulatory mechanisms, and technological platforms used in stock exchanges. Additionally, students will gain analytical skills in equity valuation through various models and fundamental analysis techniques. By the end of the course, learners will be capable of interpreting market trends and making informed investment decisions in equity markets at both national and international levels.

Course Outcomes:

CO	COGNITIVE ABILITIES	COURSE OUTCOMES
CO1	Understand	Explain the concept of equity shares, growth of the corporate sector, and the development of equity culture in India, including the role of FDI, FPI, and disinvestment.
CO2	Understand	Understand the structure and functions of primary and secondary markets and identify the roles of various financial instruments and intermediaries.
CO3	Analyze	Analyze the equity valuation using models such as Dividend Discount Model and Price-Earnings Model and interpret fundamental factors influencing share prices.
CO4	Apply	Apply knowledge of trading systems like BOLT/NEAT to demonstrate the buying and selling procedure and understand the process of clearing and settlement.
CO5	Evaluate	Evaluate the role and importance of market participants like brokers and merchant bankers, and assess the relevance of stock market indices and regulatory mechanisms.

Course Syllabus

Unit No.	Unit Contents	Sessions Allotted
1	Equity Markets Introduction <ul style="list-style-type: none">- Meaning and Definition of equity shares- Growth of Corporate Sector and the simultaneous growth in the number of equity shareholders- Separation of ownership and management in companies- Development of equity culture in India- Disinvestments, FDI & Foreign Portfolio Investment (FPI)	15

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2	Primary & Secondary Market - Primary Market: IPO - Methods followed, Book Building, Offer for sale, Private placement, - Role of Merchant bankers in fixing the price, Red – Herring Prospectus – it's unique features, - ASBA and its features, - Green Shoe option, Sweat equity, ESOP, Rights issue of shares, Non-voting shares, ADR, GDR, IDR - Secondary Market: Definition and functions of stock exchanges, - Evolution and Growth of Stock Exchanges in India - NSE, BSE, SME Exchanges and Overseas Stock Exchanges, Stock Market Indices	15
3	Valuation of Equities - Factors affecting Share Prices (Macro Economic factors, Market related factors) - Balance sheet valuation - Dividend discount model (zero growth, constant growth & multiple growth) - Price earning model - Fundamental Analysis - Economy, Industry and Company Model,	15
4	Dealings in Stock Exchanges - Role of Brokers - Stock Market Quotations - Procedure for buying & selling - BOLT - On Line Trading/ NEAT System - Clearing & Settlement - Order Matching	15

1. Suggested Reference Books:

- Equity Markets in India - Shveta Singh & P K Jain
- Equity and Debt Markets - Hardeep Kaur
- An Introduction to Equity Markets - David Dasey

2. Assessment Techniques:

- Class participation, discussions and attendance
- MCQs / Quizzes
- Assignment project for real-world application of the learnings