

K L UNIVERSITY
DEPARTMENT OF COMMERCE
B.Com (Honours) (Accounting & Finance)
VII - SEMESTER

Capital Markets

Unit I: Capital Market: (Hours : 10)

Characteristics – structure – players. Primary market and secondary market – stock exchanges – Listing of Securities – Trading system in stock exchange NSE, BSE, ISE, OTC – share brokers – categories – other intermediaries – Regulation of stock exchanges – stock market efficiency – investor protection

Unit-III: Capital Markets Theories(Hours : 6)

Capital Market Theory: Efficient Market Hypothesis- Capital Asset Pricing Model (CAPM)- Arbitrage Pricing Theory (APT).

Unit III: Capital Market Instruments(Hours : 10)

Stock futures, stock options, index futures, index options - Option valuation techniques: Binomial model, Black Scholes Option Pricing Model - Greeks – Delta, Gamma, Theta, Rho and Vega - Pricing of Futures – Cost of carry model - Imbedded derivatives

Unit IV: Regulation of Capital Markets(Hours : 8)

Capital market regulation and supervision - reason for regulation and supervision, methods and instrument of regulation and supervision, regulation and supervision in Czech Republic

Unit V: LEGAL FRAMEWORK(Hours : 11)

Securities Contracts (Regulation) Act, 1956, 1957 - SEBI Act, 1992 - SEBI (Stock Brokers & Sub-Brokers) Regulations, 1992 - SEBI (Prohibition of Insider Trading) Regulations, 1992 - SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003 - The Depositories Act, 1996 – Indian Contract Act, 1872 – The Companies Act, 1956 – Income Tax , 1961 – Money Laundering Act, 2002

Text Books:

- 1.S.Guruswami, Capital Markets, Tata McGraw Hills, 2009, 2nd Edition, New Delhi., New Delhi
- 2.Fobozzi & Modigliani, Capital Markets – Institutions & Instruments, PHI, 2010, 4th Edition, New Delhi.

Reference Books:

- 1.Frank Fobozzi, Capital Markets, Pearson Education, 2008, 4th Edition, New Delhi.
- 2.E.Gordon & K Natarajan, Capital Markets in India, Himalaya Publishing House, 2010, 1st Edition, Mumbai.

