

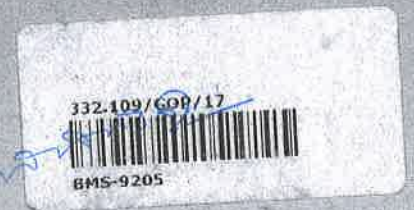
FREE E-BOOK
of Entire Theory Questions &
Answers with Scratch Card

Basics of Financial Services

S.Y. B.M.S. Semester-III

V. S. Gopal

Dr. Sumathi Gopal



Sumathi Gopal
Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.



SP
SHETH
PUBLISHERS PVT. LTD.

Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

[Prepared as per the Revised Syllabus prescribed by University of Mumbai for Bachelor of Commerce
(Accounting & Finance) with effect from the Academic Year 2017-2018]

Elective Courses (EC)

Finance Electives

BASICS OF FINANCIAL SERVICES



S. Y. B. M. S. (Semester – III)

MR. V.S. GOPAL

M.COM, DMS, LLM, ACS, MMS (JBIMS)

Legal & Management Consultant

V.E.S's College of Arts, Science & Commerce, Chembur, and Mumbai.

Padmashree Dr. D. Y. Patil Institute of Management Studies, Belapur, Navi Mumbai

V.E.S's Institute of Management Studies, Chembur

DR. SUMATHI GOPAL.

M.COM, LLM, PhD

Advocate High Court, Mumbai, Senior counsel & Arbitrator

NCRD's Sterling College of Arts, Commerce & Science, Nerul

Junjunwala College of Arts, Science & Commerce, Ghatkopar

Somaiya Institute of Management Studies, Ghatkopar

Gurunanak Institute of Management Studies, Matunga

Second Edition

When you care enough to be better than the best

SHETH®
PUBLISHERS PVT. LTD.

PUNE ★ GOA ★ NAGPUR ★ KOLHAPUR

VADODARA ★ BHAVNAGAR

Books & E-books & Digital content available at www.shethpublishers.com

Coordinator, IQAC
NCRD's Sterling College of Arts,
Commerce & Science
Nerul - 400 706.

S. Y. B. M. S. Basic of Financial Services (Sem. - III)



Principal
NCRD's Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

PREFACE

It gives us great pleasure to present to the student community the revised syllabus in a very comprehensive and lucid manner and enabling the students to know the subject to the point. Having been associated with the BMS Programme right from the beginning we have realized the need for the simplified approach to the understanding of Banking Financial Market. For the students of BMS Programme semester III in Basics of Financial Services should provide an insight of various beneficial social legislative measures for the building up of the good industry force. We are confident that this book will enable the students to understand the subject and act upon them accordingly. The present book is an effort made by the authors to present the case study and interpretation in a very lucid manner. At the end of each chapter we have included self Study to enable the student to solve and revise during examination as suggestive measures. The book offers a combination of proper presentations and methods to remember. The book is, therefore, a complete, comprehensive, up-to-date for the students. Student comprehensively going through the book can expect success in the examination.


We request all the readers including professor and students to give their valuable feedback which will be of great help to us. The readers may mail their feedback to adv.sumathigopal@gmail.com

With Best Wishes

V.S.GOPAL
DR.SUMATHI GOPAL



Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.



Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

SYLLABUS

BASICS OF FINANCIAL SERVICES

(UBMSFSIII.5)

(60 Lectures: 3 Credits)

Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Financial System	14
2	Commercial Banks, RBI And Development Banks	16
3	Insurance	15
4	Mutual Funds	15
Total		60

Objectives

SN	Objectives
1	The course aims at explaining the core concepts of business finance and its importance in managing a business
2	The objectives of develop a conceptual frame work of finance function and to acquaint the participants with the tools, types, instruments of financial system in the realm of Indian Financial Market.

Sr. No.	Modules / Units
1	Financial System <ul style="list-style-type: none"> An overview of Financial System, Financial Markets, Structure of Financial Market (Organised and Unorganized Market), Components of Financial System, Major Financial Intermediaries, Financial Products, Function of Financial System, Regulatory Framework of Indian Financial System(Overview of SEBI and RBI-Role and Importance as regulators).
2	Commercial Banks, RBI And Development Banks <ul style="list-style-type: none"> Concept of Commercial Banks -Functions, Investment Policy of Commercial Banks, Liquidity in Banks, Asset Structure of Commercial Banks, Non-Performing Assets, Interest Rate reforms, Capital Adequacy Norms. Reserve Bank of India Organisation & Management, Role And Functions Development Banks - Characteristics of Development Banks, Need And Emergence of Development Financial Institutions In India, Function of Development Banks.
3	Insurance <ul style="list-style-type: none"> Concept, Basic Characteristics of Insurance, Insurance Company Operations, Principles of Insurance, Reinsurance, Purpose And Need of Insurance, Different Kinds of Life Insurance Products, Basic Idea About Fire And Marine Insurance and Bancassurance
4	Mutual Funds <ul style="list-style-type: none"> Concept of Mutual Funds, Growth of Mutual Funds in India, Features and Importance of Mutual Fund. Mutual Fund Schemes, Money Market Mutual Funds, Private Sector Mutual Funds, Evaluation of the Performance Of Mutual Funds, Functioning of Mutual Funds In India.

Coordinator, IQAC

NCRD'S Sterling College of Arts,
Commerce & Science
Narul - 400 706.



Principal
NCRD'S Sterling College of Arts, Commerce & Science
Narul, Narul, Mumbai - 400706

CONTENTS

1. An Overview of Financial System	01 - 09
2. Financial Intermediaries	10 - 17
3. Regulatory Framework of Indian Financial System (An Overview of SEBI)	18 - 30
4. Regulatory Framework of Indian Financial System (Role & Functions of RBI)	31 - 36
5. Commercial Bank	37 - 69
6. Reserve Bank Of India	70 - 78
7. Development Bank	79 - 90
8. Insurance	91 - 111
9. Life Insurance	112 - 119
10. Fire Insurance, Marine Insurance & Bancassurance	120 - 133
11. Mutual Fund	134 - 155
Practical Problem (Case Study)	156 - 160

Sunil D. G. Patel

Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.



(viii)

[Signature]
Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

1

AN OVERVIEW OF FINANCIAL SYSTEM

01 - 09

10 - 17

SEBI) 18 - 30

s of RBI) 31 - 36

37 - 69

70 - 78

79 - 90

91 - 111

112 - 119

120 - 133

134 - 155

156 - 160

SYNOPSIS

- 1.1 Introduction
- 1.2 Definition of Finance
- 1.3 Indian Financial System
- 1.4 Financial Markets
- 1.5 Structure of Financial Market
- 1.6 Components of Financial System

Self Study

Free!!!

Questions and Answers available with scratch card provided in the book. Please follow instructions provided for downloading

Sumalata Gopal

Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.



Sumalata Gopal
Principal
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706

FREE E-BOOK
of Entire Theory Questions &
Answers with Scratch Card

About the Authors

Mr. V. S. Gopal

He is an Educationist, Legal Consultant and Corporate Trainer. Has been teaching for last 3 decades in Principles of Management, Business Laws, Industrial Laws, Organizational Development, Human Resources Development, Management Audit, Banking Laws and Insurance. He has more than 3 decades working experience in MNC banks, MNC Companies and Logistics companies and Non Banking Financial Institutions. He has presented research papers in National & International Conferences and conducted many Seminars in Personality Development at National Level.

Dr. Sumathi Gopal

She is an Educationist, Legal Consultant and Practicing Advocate in High Court of Mumbai, Senior Counsel and Arbitrator. She has been practicing in Banking Laws, Civil Laws, and Insurance Laws and Labour laws for last 26 years. She has more than 20 years teaching experiencing in Business Laws, Principles of Banking and Insurance, Industrial Laws, Laws relating to Banking and Insurance Labour Laws and Legal aspects of Business. Her PhD research is a combination of Bank Management and Banking Laws. She has presented research papers in National & International Conferences. She has published many articles in law journals other relate books. She has published various Law books not only for Mumbai University programme but also for Gujarat University.

Sumathi Gopal



ISBN - 978-93-5149-522-2



Price - ₹ 120.00

Unit No.4, Ground Floor, Lalwani Industrial Estate, 14, G.D. Ambekar Marg, Wadala, Mumbai-400 031
Tel: (022) 6662 4553, 6662 4554. Fax: 6662 4556. e-mail: support@shethpublishers.com

Coordinator, IQAC
NCRD'S Sterling College of Arts,
Commerce & Science
Nerul - 400 706.

Books & E-books & Digital Edition available at www.shethpublishers.com
NCRD'S Sterling College of Arts, Commerce & Science
Nerul, Navi Mumbai - 400706