

Financial Literacy

Course Description

This course exposes students to different aspects of financial literacy such as investment, taxation and insurance. Understanding the relevance of financial planning. Banking sector reforms and monetary policy with special reference to India are also covered. It also highlights the organization, structure of money and capital market, monetary management and instruments of trading.

Course outcome:

- To understand the operational aspects of the banking system, functions of central banks and monetary policies, India's banking system, and banking sector reforms.
- To gain the requisite knowledge to handle various aspects of investment and wealth management.
- To develop the ability to understand and deal with Stock Market Operations.
- To acquire an insight into the Indian tax structure and its filing process.

Module I: Banking

- Commercial Banking- Meaning and Functions, Process of Credit Creation; Concept of Micro-finance. Central Banking- Functions; Methods of Credit Control; Recent Reforms in Banking Sector in India; Monetary Policy: Objectives & Limitations (with Reference to India).

- *LO: This module shall give the students an understanding of the banking hierarchy and its functionality and the ways central banks influence the financial system.*

Module II: Investment Planning and management

- Investment opportunity and financial product, Insurance planning: life and non-life including medical insurance Scheme
- *LO: This module shall enable the students to acquire an understanding of the concept and meaning of investment, the investment process, and various investment schemes.*

Module III: Money Market

- Money Market: Meaning - Constituents of organized money market; Features of Indian Money Market. Instruments of money market. Capital Market: Capital Market Instruments-Shares, Equities, Debentures and Bonds; New Instruments, Types of bonds and equities, Primary Market and Secondary Market, Interlink between Money Market and Capital Market. SEBI & Capital Market in India. Markets for Derivatives: Forward, Futures, and Options, Derivatives trading in India.
- **LO: Upon completion of this module, the learners shall be able to appreciate and analyze the mechanism and regulation of financial instruments and determine how the value of stocks, bonds, and securities are calculated.**

Module IV: Taxation

- Introduction to basic Tax structure in India for personal taxation; aspect of personal tax planning; exemption and deduction for individual; e-filing.
- ***LO: This module shall explain the basic concepts and provide the knowledge about the Computation of Income Tax, Submission of Income Tax Returns, Advance Tax, and Tax deducted at Source.***

Text Book

- ✓ *Bhole, L. M. (2011): Financial institutions and Market, Tata McGraw hill, 5th Edition, New Delhi.*
- ✓ *Introduction to Financial Planning (4th Edition 2017)- Indian Institute of Banking*

Reference Book

- ✓ *Mishkin, F. S. and Eakins S. G (2009): Financial Market and institutions, PE, 6th Edition, New Delhi.*