

SYLLABUS

Paper 11 : Capital Market Analysis & Corporate Laws (One paper : 3 hours : 100 Marks)

OBJECTIVES

Comprehensive knowledge of Companies Act with respect to Corporate functions. Knowledge, comprehension and application of Corporate Governance Principles and ethical values of the profession. To provide knowledge, comprehension and application of the various regulations under vogue for financial and capital markets. Thorough understanding of the regulations framed by different Government institutions and authorities relating to capital markets.

Learning Aims

- Thorough understanding of the Companies Act
- Apply knowledge in the formation of operational decisions
- Understand the principles of corporate governance and ability to implement and report compliance.
- Understand the professional and ethical values.
- Understand the Capital Market operations
- Risk Management in Capital Markets

Skill set required

Level C: Requiring all six skill levels - knowledge, comprehension, application, analysis, synthesis, and evaluation

CONTENTS		
SECTION I : CAPITAL MARKET ANALYSIS		60%
1. Introduction of Capital Market & Capital Market Instruments	10%	
2. Capital & Financial Market Regulation	10%	
3. Capital Market Analysis	40%	
SECTION II : CORPORATE LAW & CORPORATE GOVERNANCE		40%
4. Corporate functionalism in the context of Companies Act & Corporate Laws	20%	
5. Corporate Governance	20%	

SECTION I : CAPITAL MARKET ANALYSIS

1. Introduction of Capital Market & Capital Market Instruments

- Capital Market / Security Market
- Primary Market / New Issues / IPO Market
- Secondary Market / Stock Market / Stock Exchange
- Depositories
- Private placements of shares / Buy back of shares
- CAPM vs Market Model

- Issue mechanism
- Forward Contract and future contracts
- Clearing mechanism

2. Capital & Financial Market Regulation

- Financial System and Capital Market Instruments,
- SEBI – Regulation of Market and Control,
- Collective Investment Schemes, Depositories, Dematerialization of Securities,
- Regulation of banking & finance companies – role of Reserve Bank of India and Banking Ombudsmen; Regulation of Insurance sector by Insurance Regulation and Development Authority (IRDA),
- Cyber Law and regulation of e-commerce and electronic financial transactions,
- Contemporary issues and Development

3. Capital Market Analysis

- Stock market efficiency;
- Risk and Return;
- Investment Analysis;
- Cost of Finance And Financing Structures;
- Capital Asset Pricing Model;
- Products on Stock Exchanges: Equity / Stock Markets, Basket Trading, Derivatives, Debt Markets-Retail and Wholesale, Interest Rate Futures, Exchange Traded Funds, Mutual Funds (Close Ended).
- Risk Management System: Capital Adequacy Requirements, Intra day Trading limits, Gross Exposure Limit, Margining Procedure.
- Derivatives Markets: Introduction to Options and Futures, Explanation of Market Terminologies, Pay-off Structure, Basic Trading Strategies, Weekly Options.
- Debt Markets: Debt Products traded in Stock Exchanges, Wholesale Debt Markets, and Retail Debt Markets.
- Commodity Market & Trading Corporate Actions: Bonus, Rights, Dividend, Buy Back etc., Regulations to be followed by the Corporates, Impact on the Shareholders.
- Portfolio Management
- Basic Principle, Functions and Activities
- Factors effecting investment decision in portfolio management
- Investment strategy
- Portfolio theory
- Use of matrix approach in investment decisions
- Mutual Funds
- Role of Mutual Fund in financial market
- Advantage of investment in mutual fund
- Regulations and operations
- Investors right and obligation