

SENIOR SCHOOL CURRICULUM

2017-18

FINANCIAL MARKET MANAGEMENT

EMPLOYMENT OPPORTUNITIES

Trading

- Dealer, Cash and Futures Market.
- Arbitrageurs, Cash and Futures Market.

Marketing

- Executive, Client Acquisition.
- Executive, Client Conversion and Retention.
- Sales Executive.
- Management Trainees.
- Customer Care, E-broking.
- Telemarketers/Telecallers.
- Executive, Market Research.

Back-Office

- Accounting and Finance Executive.
- Executive, Depository Participant.
- Executive, Payment Collection.
- Executive Investor's grievance.

IT

- Executive, Finance Technology.
- Executive, Web Developer.

Finance and Audit Companies

- Account Manager.
- Commercial Assistant.
- Junior Accounts Executive.
- Finance Coordinator.

- Taxation Assistant.
- Accounts & Finance Executive.
- Assistant in Trust companies and other financial institutions.
- Computer Operator in Financial and other companies.

CLASS–XI
ELECTIVE
FOUNDATIONS OF FINANCIAL MARKETS (793)
THEORY

Time: 3 Hours

Marks: 60

Unit 1: Introduction to Banking and Financial Markets

Definition of banks, Evolution of Commercial Banking in India, Functions of Commercial Banks, Competitive Landscape of Banks in India. Banking structure in India, Role of RBI. Investment basics terms like need for investment, equity, derivative, mutual fund, depositories etc. and various options available for investment. Securities, securities market and how one can invest in securities and role of regulator - SEBI.

Unit 2: Primary and Secondary Markets

Primary market, procedure for buying shares through IPO, raising capital from foreign countries. Depository, difference compared to bank and dematerialisation of securities Introduction, stock exchange, stock trading, products in the secondary, equity investment, debt investment.

Unit 3: Investment Analysis and Risk Management

Techniques of analysis in stock market like ratio analysis, income tax and capital gains having direct relevance for investment / trading in stock market. Risk Management through Derivatives, types, options, commodity derivatives and financial derivatives.

Unit 4: Banking Products and Services

Introduction to Bank Deposits, Types of Deposit Accounts, Strategies of mobilizing deposits, Common guidelines of opening and operating accounts, deposit related services , Deposit services offered to Non-Resident Indians, Deposit Insurance. Principles of lending and loan policy, basics of loan appraisal, credit decision making and review, types of advances, management of non-performing assets.

Unit 5: Investment and Relationship Banking

Investment policy, statutory reserve requirements, Non-SLR Requirements, Bank's investment Classification and Valuation Norms. Other Basic Bank Activities, Para-banking Activities. Strategy for expanding customer base, services to different customer groups, competition among banks for customers, customer relationship management, Banking Ombudsman Scheme, Know Your Customer (KYC) norms.

Unit 6: Evolving Trends in Modern Banking

Evolving Trends in Modern Banking Technology, internet banking, mobile banking transactions, Point of Sale (PoS) Terminals. Outsourcing of Non-core Activities, Financial Inclusion initiative taken by RBI and micro credit.

CLASS-XI ELECTIVE MUTUAL FUNDS (794) THEORY

Time: 3 Hours

Marks : 60

Part – A

Chapter-1: Mutual Funds

5

- 1.1 Introduction.
- 1.2 Mutual Funds: Structure in India.
- 1.3 Who manages Investor's Money.
- 1.4 Who is a custodian.
- 1.5 What is the role of the AMC.
- 1.6 What is an NFO.
- 1.7 What is the role of a Registrar and Transfer Agents.
- 1.8 What is the procedure for investing in an NFO.

1.9 What are the investor's rights and obligations.

Chapter-2: Mutual Funds Products and Features – Equity Funds

5

2.1 What are open ended and close ended Funds.

2.2 What are Equity Funds.

2.3 What is an Index Funds.

2.4 What are diversified Large Cap Funds.

2.5 What are Midcap Funds.

2.6 What are Sectoral Funds.

2.7 Other Equity Schemes.

2.8 What is an Entry Load.

2.9 What is Expense Ratio.

2.10 What is Portfolio Turnover.

2.11 How does AUM affect Portfolio Turnover.

2.12 How to analyse cash level in Portfolios.

2.13 What are Exit Loads.

Chapter-3: Gold ETFs

3.1 Introduction to Exchange Traded Funds.

3.2 Salient Features.

3.3 Working.

3.4 Market Making by APs.

3.5 Creation Units, Portfolio Deposit and cash component (An example).

Chapter-4: Debt Funds

3

4.1 Salient Features.

4.2 What is interest rate risk.

4.3 What is credit risk.

4.4 How is a Debt instrument priced.

Chapter-5: Liquid Funds

3

5.1 Salient Features.

5.2 Floating Rate Scheme.

5.3 What is portfolio churning in liquid funds.

Chapter-6: Taxation

2

6.1 Capital Gains Taxation.

6.2 Indexation Benefit.

6.3 Why FMPs are popular.

Chapter-7: Regulations

4

- 7.1 Overview.
- 7.2 What is the name of industry association for the mutual fund industry.
- 7.3 What are the objectives of AMFI.
- 7.4 Advantages of Mutual Funds.
- 7.5 What is a Systematic Investment Plan (SIP).
- 7.6 What is a Systematic Transfer Plan (STP).
- 7.7 What is Systematic Withdrawal Plan (SWP).
- 7.8 Choosing between dividend payout, dividend re-investment and growth options – which one is better for the investor.

Part – B

Chapter-1: Mutual Funds in Perspective

3

- 1.1 Mutual Funds.
- 1.2 Portfolio Management Schemes (PMS).
- 1.3 Hedge Funds.
- 1.4 Venture Capital Funds & Private Equity Funds.

Chapter-2: Investments by Mutual Fund Schemes Equity

4

- 2.1 Equity.
- 2.2 Debt.
- 2.3 Derivatives.
- 2.4 Gold.
- 2.5 Real Estate.
- 2.6 International Investments.

Chapter-3: Valuation of Investments by Mutual Fund Schemes Equity

3

- 3.1 Equity.
- 3.2 Debt.
- 3.3 Gold.
- 3.4 Real Estate.

Chapter-4: Mutual Fund Accounting

3

- 4.1 Accounting for Income, Gains & Losses from Investments.
- 4.2 Accounting for Expenses.
- 4.3 Determining the NAV.
- 4.4 Accounting for Load.
- 4.5 Distributable Reserves.

Chapter-5: Novel Portfolio Structures in Mutual Fund Schemes

4

- 5.1 Index Funds.
- 5.2 Exchange Traded Funds (ETFs).

5.3	Arbitrage Funds.	
5.4	Monthly Income Plans (MIP).	
5.5	Fix Maturity Plans (FMP).	
5.6	Capital Protection Oriented Schemes.	
Chapter-6:	Quantitative Evaluation of Mutual Fund Schemes	3
6.1	Returns.	
6.2	Risk.	
6.3	Risk Adjusted Returns.	
Chapter-7:	Cut-off Time Regularations & Time Stamping	3
7.1	Cut off Timing.	
7.2	Official Points of Acceptance (POA).	
7.3	Time Stamping Requirements.	
Chapter-8:	Investment in Mutual Funds through NSE	2
8.1	Listed Schemes.	
8.2	Exchange trade Funds (ETFs).	
8.3	Mutual Find Service System (MFSS).	
Chapter-9:	Non-Residential Investment in Indian MF Schemes	2
9.1	Investment by NRIs/PIOs.	
9.2	Investment by Foreign Institutional Investors.	
9.3	Investment by Qualified Foreign Investors.	
Chapter-10:	Investment by Indians in International MF Schemes	3
10.1	Foreign Direct Investment and Portfolio Investment.	
10.2	Investing in International Mutual Fund Schemes.	
10.3	Why invest abroad.	
10.4	International Fund of Funds.	
Chapter-11:	Mutual Fund Taxation	2
11.1	Mutual Fund Tax Provisions.	
11.2	Compounding Wealth, Gross of Tax.	
11.3	Dividend Payout and Growth Options within Schemes.	
11.4	Double Indexation.	
11.5	Setting of & Carry Forward of Losses.	
11.6	Dividend Stripping.	
Chapter-12:	SID, SAI, KIM & Fact Sheets	2
12.1	Scheme Information Document (SID).	
12.2	Statement of Additional Information (SAI).	

- 12.3 Key Information Memorandum (KIM).
- 12.4 Fund Account Statements / Consolidated Statement of Accounts.
- 12.5 Fact Sheets.

CLASS–XI
OPTIONAL
FINANCIAL ACCOUNTING (780)
(Common for Accounting & Taxation and Financial Market Management)

CLASS–XI
GENERAL FOUNDATION COURSE (501)
(Common for Office Secretaryship, Stenography & Computer Application, Accountancy & Taxation,
Marketing & Salesmanship, Retail, Financial Market Management and Business Administration)

(Refer to page 14)

CLASS–XII
ELECTIVE
CAPITAL MARKET OPERATIONS (793)
THEORY

Time: 3 Hours

Chapter-1: An Overview of the Indian Securities Market

10

- 1.1 Market Segments.
- 1.2 Key Indicators Of Securities Market.
- 1.3 Products and Participants.
- 1.4 Market Segments and their Products.
- 1.5 Reforms in Indian Securities Markets.

Chapter-2: Trading Membership

15

- 2.1 Stock Brokers.
- 2.2 NSE Membership.
- 2.3 Surrender of Trading Membership.
- 2.4 Suspension & Expulsion of Membership.
- 2.5 Declaration of Defaulter.
- 2.6 Authorised Persons.
- 2.7 Sub-Brokers.
- 2.8 Broker-Clients Relations.
- 2.9 Sub-Broker-Clients Relations.

- 2.10 Investor Service Cell And Arbitration.
- 2.11 Code of Advertisement.

Chapter-3: Trading

15

- 3.1 Introduction.
- 3.2 Neat System.
- 3.3 Market Types.
- 3.4 Trading System Users Hierarchy.
- 3.5 Local Database.
- 3.6 Market Phases.
- 3.7 Logging On.
- 3.8 Log Off/Exit from the Application.
- 3.9 NEAT Screen.
- 3.10 Invoking an inquiry Screen.
- 3.11 Order Management.
- 3.12 Trade Management.
- 3.13 Auction.
- 3.14 Limited Physical Market.
- 3.15 Block Trading Session.
- 3.16 Retail Debt Market (RDM).
- 3.17 Trading Information downloaded to Members.
- 3.18 Internet Broking.
- 3.19 Co-location.
- 3.20 Wireless Application Protocol (WAP).

Chapter-4: Clearing, Settlement and Risk Management

10

- 4.1 Introduction.
- 4.2 Key Terminologies used in Clearing and Settlement Process.
- 4.3 Transaction Cycle.
- 4.4 Settlement Agencies.
- 4.5 Clearing and Settlement Process.
- 4.6 Securities and Funds Settlement.
- 4.7 Shortages Handling.
- 4.8 Risks in Settlement.
- 4.9 Risk Management.
- 4.10 International Securities Identification Number.
- 4.11 Data and Report Downloads.

Chapter-5: Legal Framework

7

- 5.1 SEBI (Intermediaries) Regulations, 2008.
- 5.2 SEBI (Prohibition of Insider Trading) Regulations, 1992.
- 5.3 SEBI (Prohibition of Fraudulent And Unfair Trade Practices Relating to Securities Market)
- 5.4 Regulations, 2003.
- 5.5 The Depositories Act, 1996.
- 5.6 Indian Contract Act, 1872.
- 5.7 Income Tax Act, 1961.

Chapter-6: Fundamental Valuation Concepts

3

- 6.1 Time value of Money.
- 6.2 Understanding Financial Statements.

**CLASS–XII
ELECTIVE
DERIVATIVE MARKET OPERATIONS (794)
THEORY**

Time: 3 Hours

Chapter-1: Introduction to Derivatives

5

- 1.1 Types of Derivative Contracts.
- 1.2 History of Financial Derivatives Markets.
- 1.3 Participants in a Derivative Market.
- 1.4 Economic Function of the Derivative Market.

Chapter-2: Understanding Interest Rates and Stock Indices

5

- 2.1 Understanding Interest rates.
- 2.2 Understanding the Stock Index.
- 2.3 Economic Significance of Index Movements.
- 2.4 Index Construction Issues.
- 2.5 Desirable Attributes of an Index.
- 2.6 Applications of Index.

Chapter-3: Futures Contracts, Mechanism and Pricing

5

- 3.1 Forward Contracts.
- 3.2 Limitations of Forward markets.
- 3.3 Introduction to Futures.
- 3.4 Distinction between Futures and Forwards Contracts.
- 3.5 Futures Terminology.
- 3.6 Trading Underlying vs. Trading Single Stock Futures.

3.7	Futures Payoffs.	
3.8	Pricing Futures.	
3.9	Pricing Stock Futures.	
Chapter-4:	Application of Future Contracts	5
4.1	Understanding Beta (β),	
4.2	Numerical illustration of Applications of Stock Futures,	
4.3	Hedging using Stock Index Futures,	
Chapter-5:	Options Contracts, Mechanism and Applications	5
5.1	Option Terminology.	
5.2	Comparison between Futures and Options.	
5.3	Options Payoffs.	
5.4	Application of Options.	
Chapter-6:	Pricing of Options Contracts and Greek Letters	5
6.1	Variables affecting Option Pricing.	
6.2	The Black Scholes Merton Model for Option Pricing (BSO).	
6.3	The Greeks.	
Chapter-7:	Trading Of Derivatives Contracts	10
7.1	Futures and Options Trading System.	
7.2	The Trader Workstation.	
7.3	Futures and Options Market Instruments.	
7.4	Criteria for Stocks and Index Eligibility for Trading.	
7.5	Charges.	
Chapter-8:	Clearing and Settlement	10
8.1	Clearing Entities.	
8.2	Clearing Mechanism.	
8.3	Settlement Procedure.	
8.4	Risk Management.	
8.5	Margining System.	
Chapter-9:	Regulatory Framework	5
9.1	Securities Contracts (Regulation) Act, 1956.	
9.2	Securities and Exchange Board of India Act, 1992.	
9.3	Regulation for Derivatives Trading.	
9.4	Adjustments for Corporate Actions.	
Chapter-10:	Accounting for Derivatives	5
10.1	Accounting for futures.	

- 10.2 Accounting for options.
10.3 Taxation of Derivative Transaction in Securities.

PRACTICAL

Time: 2 Hours

Marks: 40

To develop the practical skills of students they will also practice on various modules of NSE to Learn to Trade Software as per details given below.

S. No.	Name of NSE - NLT Module	Class
1.	Numeric Speed Accelerator (NSA).	XI
2.	Function Key Accelerator (FKA).	XI
3.	Trading Skill Accelerator (TSA).	XI
4.	Now Simulation Mutual Fund Service System (NSM).	XI
5.	Arithmetic Skill Accelerator (ASA).	XII
6.	Now Simulation Equity Shares (NSS).	XII
7.	Now Simulation Equity Derivatives (NSD).	XII

CLASS–XII OPTIONAL

FINANCIAL ACCOUNTING (780)

(Common for Accounting & Taxation and Financial Market Management)

(Refer to page 47)

CLASS–XII

GENERAL FOUNDATION COURSE (501)

(Common for Office Secretaryship, Stenography & Computer Application, Accountancy & Taxation,
Marketing & Salesmanship, Retail, Financial Market Management and Business Administration)

(Refer to page 24)

LIST OF RECOMMENDED BOOKS

1. Foundations of Financial Markets, Students Handbook, Class XI, Published by CBSE.
2. Mutual Funds, Students Handbook, Class XI, Published by CBSE.
3. Capital Market Operations, Students Handbook, Class XII, Published by CBSE.
4. Derivative Market Operations, Students Handbook, Class XII, Published by CBSE.

LIST OF EQUIPMENTS AND SOFTWARE

1. Computers.
2. Printer.
3. Software.
4. Manual for Various Software / Assorted Reference Books.
5. Demonstration Stand.
6. Computer Consumable Stationery.
7. LCD Projector.
8. NSE – NLT Module.

