

MID-WESTERN UNIVERSITY, FACULTY OF MANAGEMENT  
 MASTER IN BUSINESS ADMINISTRATION (MBA), SYLLABUS 2072 (2016)

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<b>Course Title</b>		<b>Financial Institution and Market</b>
<b>Course Code Number</b>		<b>MGT 546</b>
<b>Credit Hours</b>		<b>03</b>
<b>Year: II</b>		<b>Semester: IV</b> <b>Specialization: Finance</b>
<b>Course Objectives:</b>		
<b>Main Objective</b>		This course is designed to familiarize students about national and international financial institutions as well as working of financial markets
<b>Enabling Objectives</b>		At the completion of this course, the students will be able to: <ul style="list-style-type: none"> <li>• Understand the concept of financial institutions and market</li> <li>• Determine the interest rates</li> <li>• Analyze the money market instruments</li> <li>• Explain the concept central Bank and its role</li> </ul>
<b>Learning Unit (LU)</b>	<b>Learning Hours (LH)</b>	<b>Contents</b>
<b>LU 1</b>	<b>3</b>	<b>Financial Markets</b> Meaning & Types of Financial markets; Classification of financial Market; Financial Assets; Creation of Financial Asset
<b>LU 2</b>	<b>14</b>	<b>Financial Institutions</b> Depository institution, Assets Liability problem; Services & Regulation of Commercial Banks; Types of Banks or Financial Institution & overview of them, Stock exchange:- Constitution; Functions; Nepal stock Exchange; NYSE; BSE-SENSEX; Trading System of Nepal Stock Exchange. <u>Mutual Fund:</u> Introduction; Open & Close Ended Fund; Net Asset Value; Classes of mutual fund; Development of mutual Fund in Nepal. <u>Investment Bank:</u> Function; IPO; Services Offered in Process of Underwriting; Development of Investment Banking in Nepal. <u>International Financial Institution:</u> IMF, IBRD, IFC, and ADB
<b>LU 3</b>	<b>8</b>	<b>Interest Rates</b> Functions of interest Rate; Determinants of interest rate; Structure of interest rate; Theories of interest Rate (classical theories, Liquidity Preference Theory, Loanable Fund theory, Rational Expectation Theory); Inflation and interest rate; Interest Rate Structure in Nepal

<b>LU 4</b>	<b>13</b>	<p><b>Money Market Instruments and Stock Market</b></p> <p><u>Money Market Instruments</u></p> <p>Characteristics of money market; Money market instruments (Treasury Bills, Dealer Loan &amp; Repurchase Agreement, Primary Dealer, Dealer loan, Commercial Papers, Bankers' Acceptance, Euro Dollars); Inter-relationship of Short term interest rates in money market.</p> <p><u>Stock Market</u></p> <p>Introduction of stock market; Stock trading market (stock Exchange, OTC, Private Transaction); Types of market index (price weighted index, value weighted index, S &amp; P Index, Equally Weighted Index, International Stock market index)</p>
<b>LU 5</b>	<b>10</b>	<p><b>Central Banking</b></p> <p>Function; Role of central Bank; monetary policy (Goals &amp; Tools); International Central Bank (Reserve Bank of India, US Federal Reserve, European Central Bank)</p> <p>Microfinance (MF): Types of MF institutions, MF and Poverty Alleviation, Role of MF in SMES promotion and Development in Nepal Microfinance and Cases</p>
<b>References</b>		<ol style="list-style-type: none"> <li>1. Roop Narayan; Fundamentals of International Banking, Macmillan India Pvt. Ltd.</li> <li>2. Paudel, Narayan Prasad; Nepalese Financial System and Investment Environment, Ratna Pustak Bhandar, Kathmandu, 2010</li> <li>3. Rose, P.S. and Marquis, M.H.: Money and Capital Markets, Financial Institutions &amp; Instruments in a Global Market Place, Mc Grallill Irwin</li> <li>4. Thapa, K: Financial Institution and market, Asmita Publication, Kathmandu.</li> <li>5. Mishkin, F.S.: Financial Markets, institution and money, Harper Collins College Publishers.</li> <li>6. Shrestha, M.K. and Bhandari, D.B: Financial markets and Institution, Asmita Publication, Kathmandu.</li> </ol>

Net Contact Hour is 48 excluding the exams and tests.

Evaluation Module: 50 percent will be assessed through the internal evaluation and 50 percent will be assessed through end semester examination