

Program: M. Com (Banking & Finance)			Semester: II		
Course : Debt Market			Code: PGMCOMIBFMJ124		
Academic Year: 2024-2025			Batch: 2024-2026		
Teaching Scheme			Evaluation Scheme		
Lectures	Practical	Tutorials	Credits	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
60	Nil	Nil	04	40	60

Learning Objectives:	<ul style="list-style-type: none"> • Understand and describe the structure, products, and participants in the Indian debt market, including government and corporate securities, and their functions. • Analyse the features and valuation methods of various debt instruments, including bonds and asset-backed securities, and evaluate market mechanisms such as the issuance processes and secondary market activities. • Apply bond valuation principles and yield concepts to real-world scenarios, and interpret the implications of yield curves and term structures for investment strategies.
Learning Outcomes:	<ul style="list-style-type: none"> • Students will be able to list and describe the various products, market segments, and key participants in the Indian debt market, demonstrating an understanding of how each component contributes to the market's overall function. • Students will be able to evaluate the characteristics and valuation of debt instruments, analyse market trends, and assess the primary and secondary market processes for both government and corporate bonds. • Students will be able to apply bond valuation techniques and yield calculations to specific bond issues, interpret yield curves and term structures, and use these insights to make informed investment decisions.
Pedagogy:	Lecture, Case Studies, Presentation.

Detailed Syllabus: (per session plan)

Session Outline for Debt Market

Each lecture session would be of one hour duration (60 sessions).

Module	Module Content	Module Wise Pedagogy Used	Module Wise Duration
I	<p><u>Introduction to Indian Debt Market</u> A) Indian Debt Markets: A Profile of Products and Participants, Market Segments, Participants in the Debt Markets, Secondary Market for Debt Instruments B) Debt Instruments: Instrument Features, Modifying the coupon of the bond, Modifying the term to maturity of a bond, Modifying the principal repayment of a bond, Asset backed securities</p>	Lecture, Case Studies, Presentation	15 Lectures
II	<p><u>Central Government Securities and State Government Bonds</u> A) Central Government Securities Bonds-Introduction, Developments Expected, G-Secs: Trends in Volumes, Tenor and yields, Primary Issuance Process, Participants in Government Bond Markets, Constituent of SGL Accounts, Primary Dealers, Satellite Dealers, Secondary Markets for Government Bonds, Settlement of Trades in G-Secs, Clearing Corporation, Negotiated Dealing System, Liquidity Adjustment Facility (LAF). State Government Bonds B) Central Government Securities: Treasury Bill Issuance Process, Cut-Off Yields, Investors in T-Bills, Secondary Market Activity in T-bills.</p>	Lecture, Case Studies, Presentation	15 Lectures
III	<p><u>Corporate Bond Market</u> A) Corporate Bonds- Market Segments, Issue Process, Issue Management and Book Building, Terms of a debenture issue and Credit Rating. B) Bond Market Indices and Benchmarks I-Bex : Sovereign Bond Index, NSE –MIBOR</p>	Lecture, Case Studies, Presentation	15 Lectures
IV	<p><u>Valuation of Bonds</u> A) Valuation of Bonds - Bond Valuation: First principles, Time path of a bond, valuing a bond at any point on the time scale, Accrued Interest, Yield, Weighted Yield, YTM of a Portfolio, Realised Yield, Yield–Price relationships of bonds B) Yield Curve and Term Structure of Interest Rate - Yield Curve: The Simple Approach, Bootstrapping, Alternate Methodologies to Estimate the Yield Curve, Theories of the Term Structure of Interest Rates</p>	Lecture, Case Studies, Presentation	15 Lectures

REFERENCE BOOKS

1. Bhole L.M. and Mahakud J., Financial Institutions and Markets: Structure, Growth and Innovations (6th Edition). McGraw Hill Education, Chennai, India
2. Bhardwaj, Gautam, (2008), The Future of India's Debt Market, Tata McGraw Hill.
3. Suryanarayan, (2002), Debt Market, ICFAI Publication Press.
4. Fabozzi, Frank, (2004), Fixed Income Analysis Workbook, 2nd edition, John Wiley & Sons
5. Shah, Ajay, Thomas, Sushan and Gorham, Michael, (2008), Indian Financial Markets, Elsevier, USA
6. FIMMDA-NSE Debt Market (Basic) Module, Workbook from NSE.
7. Dun and Bradstreet, (2008), Fixed Income Securities, Tata McGraw Hill.

Any other information:

Note: Latest edition of books may be used.