GCM S3 03

Indian Financial System

SEMESTER- III
COMMERCE

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

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First Edition : June, 2018

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Printed and published by Registrar on behalf of the Krishna Kanta Handiqui State Open University.

Headquarters : Patgaon, Rani Gate, Guwahati-781 017

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The university acknowledges with thanks the financial support provided by the **Distance Education Bureau, UGC** for the preparation of this study material.

COURSE INTRODUCTION

This course "**Indian Financial System**" has been structured to give the learners of B. Com. programme the basic idea about the financial system in our country. The Indian financial system consists of financial institutions, financial markets, financial instruments and financial services. In the first unit we will discuss the meaning of finance, its features, classification of finance, financial system and components, electronic banking etc. The second unit of this course is the Indian Money Market where we will discuss the structure of Indian Money Market, different instruments of money market etc. In the third unit we will discuss the capital market, instruments and intermediaries of this market etc. In the fourth unit, you will get an idea about the various types of interest rates, administered interest rate, market determined interest rate etc. Another important aspect covered by this course is the concept of mutual fund, its importance, different mutual fund schemes etc. In the sixth unit we will discuss the meaning of lease financing, its features, different classes of lease, meaning of hire purchase and installment purchase system, their features, differences etc. As you move towards the end of this course, you will get an idea about the Derivatives, Credit rating Services, Depository as well as the regulating framework of financial markets in India.

While going through a unit, you will notice that some along-side boxes, which have been included to help you know some of the difficult, unseen terms. Some ''ACTIVITY'' (s) has been included to help you to apply your own thoughts. Again, we have included some relevant concepts in ''LET US KNOW'' along with the text. At the end of sections, you will get ''CHECK YOUR PROGRESS'' questions. These have been designed to self-check your progress of study. It will be better if you solve the problems put in these boxes immediately after you go through the sections of the units and then match your answers with ''ANSWERS TO CHECK YOUR PROGRESS'' given at the end of each unit.

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