## Course Title : Capital Markets and Financial Institutions in Pakistan

**Course Code : COMB 635**

Credit Hours : 03

Total Week : 16

Total Hours : 48

**Course Objectives:**

Finance is the life blood for business. It is necessary for the growth, development and expansion of trade, commerce and industry. The entire financial mechanism is regulated by financial institutions and capital markets. The course has been designed to enable the students to explore the scope, importance and involvement of financial institutions and markets in the current day business.

Week 1 The Field of Finance; The role of the finance Manager; The basic financial goals of the firm;

Week 2 The Financial System; Surplus Economic Units; Deficit Economic Units; Securities/ Financial Assets;

Week 3 The Major Economic Systems; Capitalism; Communism; The Islamic Economic System;

Week 4 Financial Intermediaries; Investment Bankers; Brokers; Dealers;

Week 5 Financial Markets; The Primary Market; The Secondary Market; The Money Market;

Week 6 The Capital Market; Security Exchanges; The Over- The- Counter (OTC) Market; Market Efficiency;

Week 7 Securities in the financial market place; Securities in the money market; Treasury bills; Commercial paper; Euro Dollars; Bankers’ acceptance;

Week 8 Securities in the capital market; Bonds; Bond terminologies and types; Treasury notes and bonds; Municipal bonds;

Week 9 Corporate bonds; Corporate stock; Common stock; Preferred stock;

Week 10 Financial Institutions; Financial intermediation; Denomination Matching; Absorbing credit risk;

Week 11 Types of Financial institutions; Commercial Bank; Importance of Commercial Banks; Functions of Commercial Banks;

Week 12 Central Bank; Functions of Central Bank; Credit control;

Week 13 State Bank of Pakistan; Constitution; Function of State Bank; Principles of Note Issue;

Week 14 Specialized Financial Institution in Pakistan; Pakistan industrial credit and Investment Corporation; Small business Finance Corporation; Industrial development Bank of Pakistan; Investment Corporation of Pakistan; National investment trust;

Week 15 International Financial Institutions; International Monetary fund; International Bank for reconstruction and development; World Bank; International Finance Corporation

Week 16 Presentations, Quiz competition and test

**Recommended Texts:**

Frederic-S-Mishken, (2011). *Financial Markets, Institutions and Money,* (7th Edition). New York: Harper Collins Publisher.

Meenai, S.A. (latest Edition). *Money and Banking in Pakistan.* Karachi: Oxford University Press.

Abbasi. M. B. (1994). *Capital Markets in Pakistan. Pakistan*: National Development Finance Corporation.

Lawrence-S-Ritter and Willion-L-Silber (8th Edition). *Principles of Money, Banking and Financial Institutions.* Harper Collins Publishers, New York.

Ansari, J .A. (2005). *Financial Management in Pakistan.* Oxford University Press.