CBSE | DEPARTMENT OF SKILL EDUCATION

CURRICULUM FOR SESSION 2022-2023

FINANCIAL MARKET MANAGEMENT

(SUBJECT CODE 805)

JOB ROLE: EQUITY DEALER/MUTUAL FUND AGENT

Class XI & XII

COURSE OVERVIEW:

Financial skills particularly in the 21st century are as important as computer skills. It empowers a person to take informed judgments and decisions regarding the use and management of money. Financial skills improves the quality of life and standard of living by promoting budgeting, disciplined savings, intelligent use of credit for buying home, children's education & marriage, retirement planning etc.

There is also an acute shortage of trained professionals in BFSI (Banking, Financial Services, and Insurance) industry. The National Skill Development Corporation (NSDC) has identified BFSI as one of the 21 growth sector to develop skills. NSE is also co-promoter of BFSI sector council. The BFSI is also known as financial markets.

CBSE and NSE Academy have jointly promoted the Financial Markets Management (FMM) course. A joint certificate on completion of the course for class IX & X and for class XI & XII is provided by CBSE and NSE Academy.

Suggested Job Roles: Back Office Assistant/Front Office Assistant/ Assistant Operator (after Class X). Relationship Executive/ Mutual Fund Executive/ Equity Dealer/ Back Office Executive/ Sales Executive (Financial Services) etc. (after Class XII).

OBJECTIVES OF THE COURSE:

In this course, Followings are the main objectives of this course.

- To develop financial skills
- To build foundation for money management and equity market
- To develop basic understanding of mutual funds, capital and derivative market
- To build speed and accuracy for financial market operations
- To develop business acumen and entrepreneurial skills for financial markets
- To gain knowledge of green skills for environment protection
- To develop computer skills required for financial market.
- To learn oral and written communication skills to deal with clients
- To understand regulatory requirements while working in financial markets

SALIENT FEATURES:

- Joint Certificate - NSE Academy provides industry certificates apart from CBSE and NSE Academy providing joint certificate.

- Skill Development – NSE Academy helps skill development through internet based mock simulator software, NSE Learn to Trade- NLT.

- Save time - Students will save up to 1 year by passing 2/4 NCFM Modules while studying FMM in CBSE schools.

LIST OF EQUIPMENT AND MATERIALS:

The list given below is suggestive and an exhaustive list should be prepared by the teacher. Only basic tools, equipment and accessories should be procured by the Institution so that the routine tasks can be performed by the students regularly for practice and acquiring adequate practical experience.

Equipment's required for Computer Lab / Classroom:

1. Computers
2. LCD Projector with screen
3. White/Black Boards
4. Internet Connection
5. NSE Learn to Trade Software (Internet based software) to be provided by NSE Academy on enrolment of students.

CAREER OPPORTUNITIES:

FMM is the career for the tech savvy young persons in the 21st century. Your office can be anywhere in the world, if you have a laptop or smart phone with internet connection. There is lifelong learning as well as earning opportunities. Students can acquire employable skills for life and virtually there is no retirement. They can be employed in Banks, Mutual Funds, Stock Market, Currency Market, Commodity Market, Teaching etc. in BFSI (Banking Financial Services & Insurance) sector.

A candidate on completion of FMM and on attaining the age of employment will be a preferred candidate (compared to general market candidates without any specific skills) in the job roles of Back office executive, equity dealer, relationship executive, mutual fund executive, sales executive for selling financial services etc.in banks, broking firms, KPOs, asset management companies etc.

- **Career opportunities –** Students can acquire employable skills for life and virtually there is no retirement. They can be employed in Banks, Mutual Funds, Stock Market, Currency Market, Commodity Market, Teaching, KPOs etc. in BFSI (Banking Financial Services & Insurance) sector.

- **Career for 21st Century –** FMM is the career for the tech savvy young persons in the 21st century. Your office can be anywhere in the world, if you have a laptop or smart phone with internet connection. There is lifelong learning as well as earning opportunities.

- **Employment potential –** A candidate on completion of FMM and on attaining the age of employment will be a preferred candidate (compared to general market candidates without any specific skills) in the job roles of Back office executive, equity dealer, relationship executive, mutual fund executive, sales executive for selling financial services etc.in banks, broking firms, KPOs, asset management companies etc.

VERTICAL MOBILITY:

Students starting from class IX can continue to study Financial Markets in CBSE till XII, and thereafter till Post Graduation in college and university. They can also get preference for admission in the same stream (Financial Markets) in Universities for BBA, B.Com and 5 years Integrated MBA in Financial Market.

CBSE Schools: School Students starting from class IX can continue to study FinancialMarkets Management (FMM) in CBSE till XII.

Graduation: After passing out from school, they can go for BBA (FM), B Com (FM), 5 years integrated MBA (FM) with option to leave after 3 years as BBA (FM), B.Voc (FM) or B.Voc(FS)with universities and colleges who have tie up with NSE Academy. Many universities/colleges also give preference in admission to FMM students in these courses.

Post-Graduation: A large number of universities in India also offer MBA/ M Com in(Financial Markets) in collaboration with NSE Academy.

CURRICULUM:

This course is a planned sequence of instructions consisting of Units meant for developing employability and Skills competencies of students of Class XI and XII opting for Skills subject along with other subjects.

FINANCIAL MARKET MANAGEMENTXI
(SUBJECT CODE 805)
Total Marks: 100 (Theory-60 + Practical-40)

	UNIT S	NO. OF HOURS for Theory and Practical	MAX. MARKS for Theory and Practical
Part A	**Employability Skills**		
	Unit 1 : Communication Skills-III	13	2
	Unit 2 : Self-Management Skills-III	07	2
	Unit 3 : ICT Skills-III	13	2
	Unit 4 : Entrepreneurial Skills-III	10	2
	Unit 5 : Green Skills-III	07	2
	Total	**50**	**10**
Part B	**Subject Specific Skills**		
	Unit 1: Markets and Financial Instruments	7	04
	Unit 2: Primary and Secondary Market	28	12
	Unit 3: Mutual Funds Products and Features	20	08
	Unit 4: ETFs, Debt and Liquid Funds	17	06
	Unit 5: Taxation and Regulations	20	08
	Unit 6 : Quantitative Evaluation of Mutual Fund Schemes	28	12
	Total	**120**	**50**
Part C	**Practical Work**		
	Project	15	10
	Viva	5	5
	Practical File	10	5
	Demonstration of skill competency via Lab Activities on NSMART software (NSE Smart Equity and NSE Smart PMS)	60	20
	Total	90	40
	GRAND TOTAL	**260**	**100**

NOTE: Detailed Curriculum/ Topics to be covered under Part A: Employability Skills can be downloaded from CBSE website.

PRACTICAL GUIDELINES FOR CLASS XI

Assessment of performance:

The two internal examiners, assigned for the conduct and assessment of Practical Examinations each in Senior Secondary School Curriculum (Under NSQF) . Question for the viva examinations should be conducted by two examiner (both internal). Question to be more of General nature, project work or the curriculum. Investigatory Project especially those that show considerable amount of effort and originality, on the part of the student, should get suitable high marks, while project of a routine or stereotyped nature should only receive MEDIOCRE marks.

Procedure for Record of Marks in the Practical answer-books:

The examiner will indicate separately marks of practical examination on the title page of the answer-books under the following heads:-

Project -10 marks

Projects for the final practical is given below. Student may be assigned
Guidelines for Project Preparation:

The final project work should encompass chapters on:
a) Introduction,
b) Identification of core and advance issues,
c) Learning and understanding and Observation during the project period.

Viva based on Project -05 marks

The teacher conducting the final practical examination may ask verbal questions related to the project, if any, done by the student. Alternatively, if no project has been assigned to the students, viva may be based on questions of practical nature from the field of subject as per the Curriculum

Practical File -05 Marks

Students to make a power point presentation/ assignment/ practical file/ report. Instructor shall assign them any outlet to study the elements in retailing.

Demonstration of skill competency in Lab Activities -20 marks

a) NSMART set up market watch (Cash Market)
b) NSMART order entry features
c) NSMART Trading Features
d) NSMART set up portfolio
e) NSMART realized and unrealized P/L Position

Student need to practice 60 hours in a FMM LAB and describe the above features of NSMART in practical.

FINANCIAL MARKET MANAGEMENTXII
(SUBJECT CODE 805)
Total Marks: 100 (Theory-60 + Practical-40)

<table>
<thead>
<tr><th colspan="2">UNIT</th><th>NO. OF HOURS
for Theory and
Practical
260</th><th>MAX. MARKS
for Theory and
Practical
100</th></tr>
</thead>
<tbody>
<tr><td rowspan="7">Part A</td><td>Employability Skills</td><td></td><td></td></tr>
<tr><td>Unit 1 : Communication Skills-IV*</td><td>13</td><td>-</td></tr>
<tr><td>Unit 2 : Self-Management Skills-IV</td><td>07</td><td>3</td></tr>
<tr><td>Unit 3 : ICT Skills-IV</td><td>13</td><td>3</td></tr>
<tr><td>Unit 4 : Entrepreneurial Skills-IV</td><td>10</td><td>4</td></tr>
<tr><td>Unit 5 : Green Skills-IV*</td><td>07</td><td>-</td></tr>
<tr><td align="right">Total</td><td>50</td><td>10</td></tr>
<tr><td rowspan="8">Part B</td><td>Subject Specific Skills</td><td></td><td></td></tr>
<tr><td>Unit 1: Introduction to Indian Securities Market and Trading Membership</td><td>25</td><td>10</td></tr>
<tr><td>Unit 2: Trading</td><td>25</td><td>10</td></tr>
<tr><td>Unit 3: Clearing and Settlement, Legal Framework</td><td>25</td><td>10</td></tr>
<tr><td>Unit 4 : Financial Statement Analysis</td><td>17</td><td>08</td></tr>
<tr><td>Unit 5: Introduction to Derivatives</td><td>11</td><td>04</td></tr>
<tr><td>Unit 6: Future Contracts, Mechanism and Pricing</td><td>17</td><td>08</td></tr>
<tr><td align="right">TOTAL</td><td>120</td><td>50</td></tr>
<tr><td rowspan="6">Part C</td><td>Practical Work</td><td></td><td></td></tr>
<tr><td>Project / Practical Activities</td><td>15</td><td>10</td></tr>
<tr><td>Viva based on Project</td><td>5</td><td>05</td></tr>
<tr><td>Practical File/ Report or Portfolio</td><td>10</td><td>05</td></tr>
<tr><td>Demonstration of skill competency on NSMART software (NSE Smart Equity and NSE Smart Derivatives)</td><td>60</td><td>20</td></tr>
<tr><td align="right">Total</td><td>90</td><td>40</td></tr>
<tr><td></td><td align="center">GRAND TOTAL</td><td>260</td><td>100</td></tr>
</tbody>
</table>

Note: * marked units are to be assessed through Internal Assessment/ Student Activities. They are not to be assessed in Theory Exams

DETAILED CURRICULUM/TOPICS:

Part-A: EMPLOYABILITY SKILLS

S. No.	Units	Duration in Hours
1.	Unit 1: Communication Skills-IV*	13
2.	Unit 2: Self-management Skills-IV	07
3.	Unit 3: Information and Communication Technology Skills-IV	13
4.	Unit 4: Entrepreneurial Skills-IV	10
5.	Unit 5: Green Skills-IV*	07
	TOTAL DURATION	**50**

Note: *** marked units are to be assessed through Internal Assessment/ Student Activities. They are not to be assessed in Theory Exams**

The detailed curriculum/ topics to be covered under Part A: Employability Skills can be downloadedfrom CBSE website

Part-B – SUBJECT SPECIFIC SKILLS

S. No.	Units	Duration in Hours
1.	Unit 1: Introduction to Indian Securities Market and Trading Membership	25
2.	Unit 2: Trading	25
3.	Unit 3: Clearing and Settlement, Legal Framework	25
4.	Unit 4 : Financial Statement Analysis	17
5.	Unit 5: Introduction to Derivatives	11
6.	Unit 6: Future Contracts, Mechanism and Pricing	17
	TOTAL DURATION	**120**

PRACTICAL GUIDELINES FOR CLASS XII

Assessment of performance:

The two internal examiners, assigned for the conduct and assessment of Practical Examinations each in Senior Secondary School Curriculum (Under NSQF) . Question for the viva examinations should be conducted by two examiner (both internal). Question to be more of General nature, project work or the curriculum. Investigatory Project especially those that show considerable amount of effort and originality, on the part of the student, should get suitable high marks, while project of a routine or stereotyped nature should only receive MEDIOCRE marks.

Procedure for Record of Marks in the Practical answer-books:

The examiner will indicate separately marks of practical examination on the title page of the answer-books under the following heads:-

Project -10 marks

Projects for the final practical is given below .Student may be assigned

Guidelines for Project Preparation:
The final project work should encompass chapters on:
a) Introduction,
b) Identification of core and advance issues,
c) Learning and understanding and Observation during the project period.

Viva based on Project -05 marks

The teacher conducting the final practical examination may ask verbal questions related to the project, if any, done by the student. Alternatively, if no project has been assigned to the students, viva may be based on questions of practical nature from the field of subject as per the Curriculum

Practical File -05 Marks

Students to make a power point presentation/ assignment/ practical file/ report. Instructor shall assign them any outlet to study the elements in retailing.

Demonstration of skill competency in Lab Activities -20 marks

a) NSMART set up market watch (Capital and Derivative Market)
b) NSMART order entry features (FNO)
c) NSMART Trading Features (Future contracts)
d) NSMART Trading Features (Option contracts)
e) NSMART realized and unrealized P/L Position

Student need to practice 60 hours in a FMM LAB and describe the above features of NSMART in practical.

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
1. Introduction to Indian Securities Market and Trading Membership	**Securities Market segments and products**	**Session -1** **1.1 Market Segments** 1.1.1 Primary Market 1.1.2 Secondary Market **1.2 Key Indicators of Securities Market** 1.2.1 Index 1.2.2 Market Capitalisation. 1.2.3 Market Capitalisation Ratio 1.2.4 Turnover 1.2.5 Turnover Ratio **1.3 Products and Participants** 1.3.1 Products 1.3.2 Participants **1.4 Market Segments and their Products**
		Activity Presentation on Primary and secondary market, Role play, presentation on NSE trading products
	Market Reforms	**Session -2** **1.5 Reforms in Indian Securities Markets** • Creation of Market Regulator • Screen Based Trading • Reduction of Trading Cycle
UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
		• Equity Derivatives Trading • Demutualization • Dematerialization • Clearing Corporation • Investor Protection • Globalization • Launch of India VIX • Direct Market Access • Launch of Securities Lending & Borrowing Scheme • Launch of Currency Futures • ASBA: Application Supported by Blocked Amount (ASBA) • Launch of Interest Rate Futures • Issue of Capital and Disclosure Requirements (ICDR) Regulations 2009 **Activity** ASBA project through net banking, case on globalization etc.

	Trading Memberships	Session -3
		1.6 Stock Brokers
		1.7 NSE Membership
		1.7.1 New Membership
		1.7.2 Eligibility Criteria for Membership at NSE
		1.7.3 Admission Procedure for New Membership
		1.8 Surrender of Trading membership
		1.9 Suspension & Expulsion of Membership
		1.9.1 Basis of Suspension of Membership
		1.9.2 Suspension of Business
		1.9.3 Removal of Suspension
		1.9.4 Consequences of Suspension
		1.9.5 Consequences of Expulsion
		1.10 Declaration of Defaulter
		1.11 Authorized Persons
		1.12 Sub-Brokers
		1.12.1 Eligibility
		1.12.2 Registration
		1.12.3 Cancellation of Registration
		1.13 Broker-Clients Relations
		1.13.1 Client Registration Documents
		1.13.2 Unique Client Code (UCC)
		1.13.3 Margins from the Clients
		1.13.4 Execution of Orders
		1.13.5 Contract Note
		1.13.6 Payments/Delivery of Securities to the Clients
		1.13.7 Brokerage
		1.13.8 Segregation of Bank Accounts
		1.13.9 Segregation of Demat (Beneficiary)Accounts
		1.14 Sub-Broker-Clients Relations
		1.14.1 Relationship with clients
		1.14.2 Contract notes
		1.14.3 Securities/Funds
		1.15 Investor Service Cell and Arbitration
		1.16 Code of Advertisement
		Activity
		Visit to Broker house. Role play, Quiz contest and presentation on the operationsof Broke House

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
2. Trading	**Overview of Trading network and NEAT Screen**	**Session -1** 2.1 Introduction 2.2 NEAT System 2.3 Market Types 2.4 Trading System Users Hierarchy 2.5 Local Database 2.6 Market Phases 2.7 Logging On 2.8 Log Off / Exit from the Application 2.9 NEAT Screen **Activity** Presentation on NEAT Screen, visit to broker house, discussion on market phases and its operations.
	Inquiry Screens	**Session -2** **2.10 Invoking an Inquiry Screen** Market Watch Security Descriptor Previous Trades Outstanding Orders Activity Log Order Status Snap Quote Market Movement Market Inquiry Auction Inquiry Security /Portfolio List Multiple Index Broadcast and Graph Online Backup Basket Trading Buy Back Trades **Activity** NEAT Screen Key Features, NSMART Trading Features, Trading Techniques etc.
	Order Management	**Session -3** **2.11 Order Managed on NEAT** 2.11.1 Entering Orders 2.11.2 Order Modification 2.11.3 Order Cancellation 2.11.4 Order Matching **2.12 Internet Broking** **2.13 Co-location** **2.14 Wireless Application Protocol** **Ch-2 Trading (Session-3) from page No.56 Entering order to Page No.65 till WAP**

Note: * marked units are to be assessed through Internal Assessment/ Student Activities. They are not to be assessed in Theory Exams

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL

3. Clearing, Settlement and Legal Framework	Clearing and Settlement	**Session -1**
		3.1 Introduction
		3.2 Key terminologies used in Clearing and Settlement Process
		3.3 Transaction Cycle
		3.4 Settlement Agencies
		3.5 Clearing and Settlement Process
		    3.5.1 Clearing Process
		    3.5.2 Settlement Process
		    3.5.3 Settlement Cycle
		3.6 Securities and Funds Settlement
		    3.6.1 Securities Settlement
		    3.6.2 Funds Settlement
		3.7 Shortages Handling
		    3.7.1 Valuation Prices
		    3.7.2 Close-out Procedures
		Activity
		Practical Presentation on T to T+2 Trading Process, Presentation and Project on Settlement Process

	Risk Management and Reports	**Session -2**
		  3.9 Risk Management
		    3.9.1 Capital Adequacy Requirements
		    3.9.2 Margins
		    3.9.3 On-Line Exposure Monitoring
		    3.9.4 Off-line Monitoring
		    3.9.5 Index-based Market-wide Circuit Breakers/Price Bands for Securities
		    3.9.6 Settlement Guarantee Mechanism
		  3.10 International Securities Identification Number
		
		Activity
		Margin Calculation, Role Play on Trade monitoring

	Legal Framework	**Session -3** **3.11 SEBI (Intermediaries) Regulations,2008** **3.12 SEBI (Prohibition of Insider Trading) Regulations,2015** 3.12.1 Prohibition on Dealing, Communicating or Counselling (Chapter) 3.12.2 Investigation (Chapter III) 3.12.3 Disclosures and Internal Procedure for Prevention of Insider Trading **3.13 SEBI (Prohibition of fraudulent and Unfair Trade Practices relating to securities** market) Regulations, 2003 3.13.1 Prohibition of Certain Dealings in Securities 3.13.2 Prohibition of Manipulative, Fraudulent and Unfair Trade Practices **3.14 The Depositories Act, 1996** **Activity** Role Play on Insider Trading, Presentation on Unfair Trade Practices, Visit to Depositary Participants (DP) House

UNIT	SUB-UNIT	SESSION/ ACTIVITY/ PRACTICAL
4. Financial Statement Analysis	Overview on Financial Statement Analysis	**Session -1** **4.1 CONCEPTS & MODES OF ANALYSIS** 4.1 .1 What is Simple Interest? 4.1.2 What is Compound Interest 4.1.3 What is meant by the Time Value of Money? 4.1.4 How to go about systematically analyzing a company?
	Ratio Analysis and its types	**Session -2** **4.2 Ratio Analysis** 4.2.1 Liquidity ratios 4.2.2 Leverage/Capital structure Ratios 4.2.3 Profitability Ratio
5. Introduction to Derivatives	Overview on Derivatives	**Session -1** 5.1Types of Derivative Contracts 5.2 Basic Derivatives 5.3 History of Financial Derivatives Markets 5.4 Participants in a Derivative Market 5.5 Economic Function of the Derivative Market **Activity** Presentation on Derivatives Market history and its Products, Discussion on various economics function of derivatives
	Understanding Interest Rates and index significance	**Session -2** 5.6 Understanding Interest Rates 5.7 Understanding the Stock Index 5.8 Economic Significance of Index Movements **Activity** Calculate interest rates, Discuss and Design Micro and Macro Factors of index movements
	Index Constructions and its Attributes	**Session -3** 5.9 Index Construction 5.10 Desirable Attributes of An Index 5.11 Applications of index **Activity** Understand that how Indian stock market index calculate, presentation on index and its applications

| 6. Future Contracts, Mechanism and Pricing | Forward vs Future Contracts andFuture terminology | **Session -1**
6.1 Forward
6.2 Limitations of Forward Markets
6.3 Introduction to Futures
6.4 Distinction between Futures and Forwards Contracts
6.5 Futures Terminology
6.6 Trading Underlying Vs. Trading Single Stock Futures
6.7 Futures Payoffs
6.8 Pricing Futures
6.8.1 Price equity index future
6.8.2 Price equity index future with dividend amount
6.8.3 Price equity index future with dividend yield
6.8.4 Price stock future
6.8.5 Price stock future with no dividend
6.8.6 Price stock future with dividend expected
6.9 Understanding Beta (β)
6.10 Numerical Illustration of Applications of Stock Futures
6.10.1 Hedging : Long securities , sell future
6.10.2 Speculation : Bullish securities , Buy future
6.10.3 Speculation : Bearish securities , sell future
6.10.4 Arbitrage: Overpriced future , Buy Spot , sell future
6.10.5 Arbitrage : Underpriced future , Buy future , sell spot
6.11 Hedging using Stock Index Futures
6.11.1 Selling index Future
Activity
Presentation or panel discussion on Forward vs Future Contracts, Presentation on Payoff Position, Calculations on Future Pricing with Beta |
| | Option Terminology | **Session -2**
6.11 Option Terminology
6.12 Difference between Future and Option
6.13 Option Payoff
6.14.1 Payoff profile for buyer
6.14.2 Payoff profile for seller
6.14.3 Payoff profile for buyer of call option
6.14.4 Payoff profile for writer of call option
6.14.5 Payoff profile for buyer of put option
6.14.6 payoff profile for writer of put option
6.15   Application of Option
6.15.1 Hedging : Have underlying buy put
6.15.2 Speculation : Bullish Security , buy call , sell put
6.15.3 Speculation : Bearish security , sell call, buy put
6.15.4 Bull Spread
6.15.5 Bear Spread
Activity: - Panel discussion on Future vs Option Contracts, Presentation on Option Terminology. Visit broker house to learn Trading techniques of Future and   Option. Trade through NSMART and create position in F&O. |