

Discipline Specific Elective (DSE)

UNIVERSITY OF KERALA

Four Year Undergraduate Programme (FYUGP) — B.Com

Stream: Finance

STOCK EXCHANGES: OPERATIONS AND REGULATIONS

Discipline	COMMERCE
Course Code	UK5DSECOM300
Course Title	Stock Exchanges: Operations and Regulations
Type of Course	Discipline Specific Elective (DSE)
Semester	V
Academic Level	300 – 399
Course Details	4 Credits Lecture: 3 hrs/week Tutorial: – Practical: 2 hrs/week Total: 5 hrs/week (75 Hours)
Pre-requisites	Basic knowledge of the Indian financial system, capital-market instruments and investment concepts.
Course Summary	This course enables learners to understand the operations and regulation of stock exchanges in India and to apply that understanding in practice. It develops the ability to analyse listing, trading, demat and settlement processes, construct market indices, and evaluate the role of technology, investor protection and SEBI enforcement in maintaining market integrity.

Detailed Syllabus

Unit	Content	Hrs
Module I: Listing of Securities		16
1	Meaning, Merits and Demerits of Listing.	1
2	SEBI guidelines on Listing.	2
3	SEBI (LODR) Regulations, 2015 Listing requirements, procedure and fee.	3
4	IPO, FPO, Rights Issue and Bonus Issue — Listing Procedure.	3
5	Listing conditions of BSE and NSE; Draft Red Herring Prospectus (DRHP) — structure and analysis.	2
Practicum Visit the SEBI website (Public Issues section) and download the Draft Red Herring Prospectus (DRHP) of a recently listed company. Locate and analyse five key sections: Risk Factors, Objects of the Offer, Financial Statements, Promoters/Management, and Outstanding Litigations.		5
Suggested Activities		

Unit	Content	Hrs
	- Group discussion: what are the key investor risks identified in a DRHP? How effectively does SEBI's mandatory disclosure framework protect retail investors? - Prepare a comparison chart of IPO and FPO listing procedures — include regulatory requirements, timelines and compliance obligations.	
Module II: Indian Stock Exchanges and Trading Mechanism		16
6	Structure of Indian Stock Market BSE and NSE.	2
7	Trading Systems: BOLT (BSE Online Trading) and NEAT (National Exchange for Automated Trading).	2
8	Order Types — Market Order, Limit Order, Stop-Loss Order.	2
9	Depository and Demat Settlement Dematerialisation, Settlement Cycle (T+1), Pay-in and Pay-out Process.	2
10	Bad Delivery, Short Delivery, Auction.	2
Practicum Using a free virtual stock market simulator, execute at least three distinct order types — a Market Order, a Limit Order, and a Stop-Loss Order — and record the outcomes.		6
Suggested Activities - Roleplay: act as a stock broker receiving three different types of client orders on a trading day; execute them and explain the settlement outcome to the client. - Case study: analyse the shift from T+2 to T+1 settlement in India — evaluate its benefits for liquidity, investor confidence and operational efficiency.		
Module III: Stock Indices		19
11	Meaning, Purpose and Considerations in developing a stock market index.	2
12	Methods of Index Construction Price-Weighted Method, Weighted Average of Price Relatives, Free-Float Market Capitalisation Method.	3
13	Major Indices in India Sensex and Nifty: calculation methodology and significance.	2
14	Construction of Sensex Scrip selection criteria and eligibility conditions.	2
Practicum Using an Excel spreadsheet, mathematically calculate the Free-Float Market Capitalisation for each stock in a chosen set; build a custom 'Mini-Index' using a base value of 1,000; track and record its percentage movement over 3 consecutive trading days.		10
Suggested Activities - Analyse the sector composition of the Sensex and Nifty 50; discuss how the indices reflect macroeconomic conditions and sectoral shifts in the Indian economy. - Prepare a report comparing the Sensex with any two global indices (e.g., Dow Jones, FTSE) on methodology, composition and volatility.		
Module IV: Technology-Enabled Trading		9
15	Evolution of Technology in Stock Trading.	1
16	Mobile Trading Applications and AI-enabled Trading Tools.	2

Unit	Content	Hrs
17	Blockchain Applications in Capital Markets.	1
18	Cyber Security Risks in Online Trading.	2
Practicum Comparative Analysis of Trading Apps — compare 3–4 trading applications such as Zerodha Kite, Groww, and Upstox based on features like user interface, market information, portfolio tracking, and AI-assisted recommendations. Present findings in a structured report.		3
Suggested Activities - Evaluate how algorithmic trading and AI-enabled tools have changed the dynamics of the Indian secondary market — discuss implications for retail investors. - Group discussion: what cybersecurity risks face online traders in India? What regulatory and personal safeguards are available?		
Module V: Investor Protection and Market Surveillance [CCA Only]		15
19	Investor Protection Measures by SEBI.	2
20	Grievance Redressal Mechanisms for Investors — SCORES Portal.	3
21	Market Surveillance Techniques.	2
22	Enforcement Actions by SEBI Exit Policy.	2
Practicum Visit the SCORES portal and prepare a mock investor grievance complaint based on a hypothetical case involving delayed share transfer, IPO refund non-receipt, dividend non-receipt, or unauthorized trading.		6
Suggested Activities - Seminar: evaluate the effectiveness of SEBI's SCORES portal in resolving investor grievances — present statistics on resolution rates and pending complaints. - Case study: analyse a major market manipulation or insider trading case prosecuted by SEBI — discuss the enforcement action and its deterrent impact.		
Total Instructional Hours		75

References

Text Books

- Prasanna Chandra – Investment Analysis and Portfolio Management (McGraw Hill Education).
- M. Y. Khan – Indian Financial System (McGraw Hill Education).

Standard Reference Books

- V. K. Bhalla – Investment Management: Security Analysis and Portfolio Management (S. Chand Publishing).
- Bhole, L. M., & Mahakud, J. – Financial Institutions and Markets: Structure, Growth and Innovations (McGraw Hill Education).
- Punithavathy Pandian – Security Analysis and Portfolio Management (Vikas Publishing House).
- Kevin, S. – Security Analysis and Portfolio Management (PHI Learning).
- National Institute of Securities Markets (NISM) – Capital Market (Dealers) Module (Taxmann Publications).

Journals, Reports and Web Resources

- Securities and Exchange Board of India (SEBI) – <https://www.sebi.gov.in/>
- National Stock Exchange of India – <https://www.nseindia.com/>

- Bombay Stock Exchange – <https://www.bseindia.com/>
- SEBI SCORES Portal – <https://scores.sebi.gov.in/>

Course Outcomes (COs)

No.	Upon completion of the course the graduate will be able to:	Cognitive Level	Module	PSO Addressed	Knowledge
CO1	Explain the listing process, the SEBI regulatory framework and DRHP disclosure requirements for securities in Indian capital markets.	U	M I	PSO1, PSO10	F, C
CO2	Analyse trading mechanisms, demat operations and settlement procedures in Indian stock exchanges.	An	M II	PSO10	C, P
CO3	Construct a stock market index using real-time market data and free-float capitalisation methods.	C	M III	PSO10	P, M
CO4	Evaluate the role of technology, mobile trading and blockchain in modern stock market operations.	E	M IV	PSO6, PSO10	C, P
CO5	Evaluate investor protection measures, grievance redressal mechanisms and SEBI enforcement actions for market integrity.	E	M V	PSO1, PSO10, PSO12	C, P
Cognitive Levels: R – Remember U – Understand Ap – Apply An – Analyse E – Evaluate C – Create Knowledge: F – Factual C – Conceptual P – Procedural M – Metacognitive					

CO – PO/PSO, Cognitive Level and Knowledge Category

Credits: 3 : 0 : 1 (Lecture : Tutorial : Practical)

CO No.	CO	PO	PSO	Cognitive Level	Knowledge	Module	L / T / P
CO1	Explain the listing process, the SEBI regulatory framework and DRHP disclosure requirements for securities in Indian capital markets.	1,3,8	1,10	U	F, C	M I	L / P
CO2	Analyse trading mechanisms, demat operations and settlement procedures in Indian stock exchanges.	1,6	10	An	C, P	M II	L / P

CO No.	CO	PO	PSO	Cognitive Level	Knowledge	Module	L / T / P
CO3	Construct a stock market index using real-time market data and free-float capitalisation methods.	1	10	C	P, M	M III	L / P
CO4	Evaluate the role of technology, mobile trading and blockchain in modern stock market operations.	1,7	6,10	E	C, P	M IV	L / P
CO5	Evaluate investor protection measures, grievance redressal mechanisms and SEBI enforcement actions for market integrity.	1,8	1,10,12	E	C, P	M V	L / P

Cognitive Levels: R – Remember U – Understand Ap – Apply An – Analyse E – Evaluate C – Create | **Knowledge:** F – Factual C – Conceptual P – Procedural M – Metacognitive

Mapping of COs with PSOs

CO \ PSO	PSO1	PSO2	PSO3	PSO4	PSO5	PSO6	PSO7	PSO8	PSO9	PSO10	PSO11	PSO12	PSO13	PSO14
CO1	2	-	-	-	-	-	-	-	-	3	-	-	-	-
CO2	-	-	-	-	-	-	-	-	-	3	-	-	-	-
CO3	-	-	-	-	-	-	-	-	-	3	-	-	-	-
CO4	-	-	-	-	-	2	-	-	-	2	-	-	-	-
CO5	2	-	-	-	-	-	-	-	-	2	-	2	-	-

Correlation: (Nil) – No correlation 1 – Mild 2 – Moderate 3 – Strong

Mapping of COs with POs

CO \ PO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
CO1	2	-	3	-	-	-	-	2
CO2	2	-	-	-	-	2	-	-
CO3	3	-	-	-	-	-	-	-
CO4	2	-	-	-	-	-	2	-
CO5	2	-	-	-	-	-	-	2

Correlation: (Nil) – No correlation 1 – Mild 2 – Moderate 3 – Strong

Assessment Rubrics

Assessment tools: Quiz / Assignment / Discussion / Seminar / Case Study / Activity / Internal Examination / Project / End Semester Examination

	Internal Exam	Assignment	Project / Case Study	End Semester Exam
CO1	✓			✓
CO2	✓		✓	✓
CO3	✓	✓		✓
CO4	✓			✓
CO5	✓		✓	

Assessment Pattern

Component	Basis / Assessment Tools	Marks
THEORY COMPONENT — 3 Credits (Total: 60 Marks) CCA : ESE = 30 : 70		
CCA – Theory – All Modules (I–V)		18
Formative Assessment – Theory (FA)	Three components of 3 marks each (3 + 3 + 3 = 9 marks): • DRHP analysis and listing requirements evaluation (3 marks) • Virtual trading or index construction assignment (3 marks) • Quiz on stock exchange operations and regulations (3 marks)	9
Summative Assessment – Theory (SA)	Internal examination conducted after a defined instructional period; the score is converted to 9 marks	9
ESE – Theory (Modules I–IV only)		42
Written Examination	90 minutes – covering Modules I, II, III and IV only	42
Sub-total – Theory		60
PRACTICAL COMPONENT — 1 Credit (Total: 20 Marks) CCA : ESE = 40 : 60		
CCA – Practical – All Modules (I–V)		8
Formative Assessment – Practical (FA)	Continuous assessment of practicum exercises across all modules; recorded in the practicum portfolio.	4
Summative Assessment – Practical (SA)	Practical viva or structured demonstration conducted after a defined practicum period.	4
ESE – Practical		12
Practical Examination	Practical examination / project presentation – 30 minutes.	12
Sub-total – Practical		20
Grand Total		80

Notes:

Total marks: 80 (4-credit course: 3 theory credits + 1 practical credit). Theory – 60 marks (CCA : ESE = 30 : 70); Practical – 20 marks (CCA : ESE = 40 : 60). FA and SA carry equal weightage in the theory component.

Theory Formative Assessment (FA): continuous evaluation across all modules (I–V). Three tools of 3 marks each (3 + 3 + 3 = 9 marks).

Theory Summative Assessment (SA): internal examination; score converted to 9 marks. Covers all modules (I–V).

Theory ESE: 90-minute written examination covering Modules I–IV only (42 marks). Module V assessed through Theory CCA only.

Practical Formative Assessment (FA): continuous evaluation of practicum exercises recorded in the practicum portfolio (4 marks).

Practical Summative Assessment (SA): practical viva or structured demonstration after a defined practicum period (4 marks).

Practical ESE (12 marks): a 30-minute practical examination / project presentation.