

**INDIAN INSTITUTE OF TECHNOLOGY KANPUR**  
**Department of Management Sciences**  
**Proposal for New Course**

**Title:** Investment Banking – Capital Market Operations

**Course No:** MBAXXXM

**Department:** Management Sciences

**Proposer:** Dr. Harshal Rajan Mulay

**Units:** 3-0-0-1[5]

**Duration of the course:** First Half of the Odd Semester

**Prerequisite Courses:** MBA601 or MBA607 or MBA770M or MBA775M or MBA776M

**Other interested faculty:** NA

**Course Objectives:**

This course aims to prepare students for an Analyst role in a Capital Markets division of an Investment Bank. This course will emphasise on the practical aspects of an Investment Banking job and the finance theory required for the same. This course proposes to touch upon strategic, procedural, analytical, legal and accounting aspects of several Investment Banking activities. The course will be taught in three modules. The first module provides introduction to Capital Market Instruments and the role of Investment Bankers in the Capital Markets. This module will also introduce the strategic choice between debt and equity. In the second module, the students will gain an in-depth understanding of the Equity Capital Markets Division of an Investment Bank. The module will cover topics such as IPOs, FPOs, Rights Issues, Private Placement, Share Buy-Backs and Delisting. Finally, the third module will focus on Debt Capital Markets Division of an Investment Bank. This module will touch upon Bond Issues, Convertible Bonds, Loan Syndication, Project Finance and Securitization.

**Course Contents:**

S. No.	Topic	No. of Sessions
<b>Module 1: Introduction</b>		
1	<b>Introduction:</b> Structure of an Investment Bank, Introduction to Primary Capital Markets, Different types of Financial Instruments and their uses from a firm's perspective,	2
2	<b>Capital Structure Decision:</b> Theories for choice between Debt and Equity	1
<b>Module 2: Equity Capital Markets</b>		
3	<b>Initial Public Offerings:</b> Strategic motivation for going public, accounting treatment of new issues, IPO process, role and fee structure of an Investment Bank, Underwriting, Green Shoe Options, and IPO Underpricing,	3
4	<b>Follow-on Public Offerings, Rights Issues and Private Placement:</b> Strategic motives, legal considerations, procedural aspects, and investor reactions	2
5	<b>Share Buy-Backs and Delisting:</b> Strategic motives, legal considerations, procedural aspects, and investor reactions	2
<b>Module 3: Debt Capital Markets</b>		
6	<b>Bond Issuance:</b> Different types of bonds and strategic motives behind their issues, procedural aspects, legal considerations and accounting treatment, workings of Convertible Bonds.	1

7	<b>Loan Syndication and Project Finance:</b> Strategic motives, risk mitigation through Project Finance, Covenants, Cash Trap, Cash Sweep and Debt Sculpting	2
8	<b>Securitization:</b> Strategic motives, investor benefits, Pass Through and Pay Through Securities.	1

**Short summary for including in the Courses of Study Booklet:** Same as Course Objectives mentioned above.

### Textbook

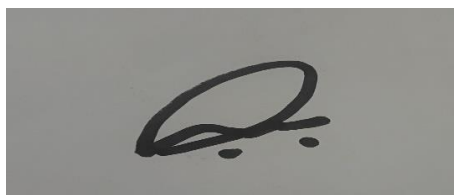
- a. Giri, P. S. (2021), "Investment Banking: Concepts, Analyses and Cases". McGraw Hill Education (India) Pvt. Ltd. 4<sup>th</sup> Edition

### Reference Material

- a. Rosenbaum, J. & Pearl, J. (2020), "Investment Banking: Valuation, LBOs, M&A and IPOs". John Wiley & Sons. 3<sup>rd</sup> Edition
- b. Damodaran, A. (2012), "Investment Valuation". John Wiley & Sons. 3<sup>rd</sup> Edition.
- c. Krantz, M. & Johnson, R. R. (2020), "Investment Banking for Dummies". For Dummies Series, John Wiley & Sons. 2<sup>nd</sup> Edition
- d. Knee, J. A. (2007). "The Accidental Investment Banker: Inside the Decade that Transformed Wall Street". Oxford University Press. 1<sup>st</sup> Edition.

**Any other remarks:** The course is an advanced PG course, and the course pedagogy involves lectures and discussion of case studies and research papers. This course covers only the Capital Markets part of Investment Banking activities. To have full overview of the profession, students are advised to opt for MBA776M, which covers Mergers and Acquisitions.

Signature of Proposers:



Dr. Harshal Rajan Mulay [Date: 22 February 2024]

This course is Approved/ Not Approved  
DPGC Convener, DoMS

This course is Approved/ Not Approved  
Chairperson SPGC