



Background:

Capital markets are the most exciting and event-driven part of finance.

This program provides introductory concepts related to markets in general and provides a good overview of both Equity and Debt, being the main instruments associated with capital markets.

This is a Level 1 program.

Program Duration: 2 days *(1.5 hours a session; 8 sessions; scheduled per preference)*

Methodology:

- ✓ Presentation
- ✓ Cases
- ✓ Gaming
- ✓ Quizzing

Program Outline

1. The Origin and Purpose of Capital Markets: 30 m

- Businesses and businesspersons
- Investors and capital
- The idea of an enterprise
- The need for money
- The bringing together of money and enterprise
- The evolution of modern markets
- Entities in the modern capital market
- Associated names

2. The Sources of Capital: 1.5 h

- Short-term & Long-term
- The features of a typical loan
- Trade-able financial instruments

- Equity
- The Universe of tradeable loans: from Money Markets to Bonds
- Case Studies of the role bonds play in capital structure

EQUITY

3. The Beginning of an Enterprise: 1.5 h

- Founders
- Public Investors
- Regulation in approaching public
- Dilution
- Angels, VCs, Private Equity
- Rounds of funding
- Case Studies
- Google as an instance of a multi-bagger through the lifecycle
- WeWorks: what happens when IPOs flounder
- Softbank as a PE Player's Investments as a case study

4. An Introduction to Equity 30 m

- Ownership
- Shares & Shareholding
- Synonyms

5. Benefits of Shareholding 1 h

- Profits of a business
- Distribution of profits
- Reinvestment of profits
- Benefit by cashflow
- Benefit by Bonus
- Benefit by Price appreciation
- The limitation of losses
- Encouragement to risk-taking

6. Earnings Per Share 15 m

- Shares in a business
- Profits of the business
- EPS Case Studies

7. Dividend 45 m

- Dividend as a subset of EPS
- Dividend Policy
- Growth vs. Distribution
- Growing EPS

- The decision to invest
- Dividend Yield
- Investor preferences
- Case Studies

8. Bonus 45 m

- Profits as seen in the Financial Statements
- Servicing of Capital
- Building up of profits
- The Bonus issue
- The bonus seen on the financial statements
- Servicing the expanded capital base
- Case Studies

FIXED INCOME

9. The Types of Bonds 1 h & 30 m

- Fixed Rate Bonds
- Floating Rate Bonds
- Zero-coupon Bonds
- Municipal Bonds (Munis)
- Perpetuals
- Convertibles
- Foreign-currency bonds
- Offshore Bonds (Eurodollar)
- Domestic Bonds for Overseas Investors (Panda, Masala, Samurai, Matilda etc.)
- Case studies in fund-raising

3. Coupons, Conventions, Frequency of Coupons 1 h

- Bond coupon conventions
- How accruals work
- Difference between accrual and payment
- Frequency of payments
- Examples of the flow of coupons
- Clean & Dirty Prices: and settlements

5. Coupons & Yields 1h & 30m

- The difference between coupons and yields
- The difference between coupons contracted and the market
- The yield-coupon relationship in Bonds
- The price-yield relationship in Bonds

6. Issuance & Maturity of Bonds 30 m

- At par
- At premium
- At discount
- Issuance and Redemption at each of the above: combinations

7. The Building of an Enterprise: 45 m

- Initial rounds of equity
- Initial rounds of debt
- The layering of equity, debt and earnings
- Scaling on the back of debt issues, IPO and FPOs
- Growth: new projects, increased EPS, increased borrowing capacity
- The remarkable story of Reliance Industries Ltd. and D. Ambani

End of Program Assessment: 30 things you should absolutely know: tested!

