

Book Review

Basics of Capital Market

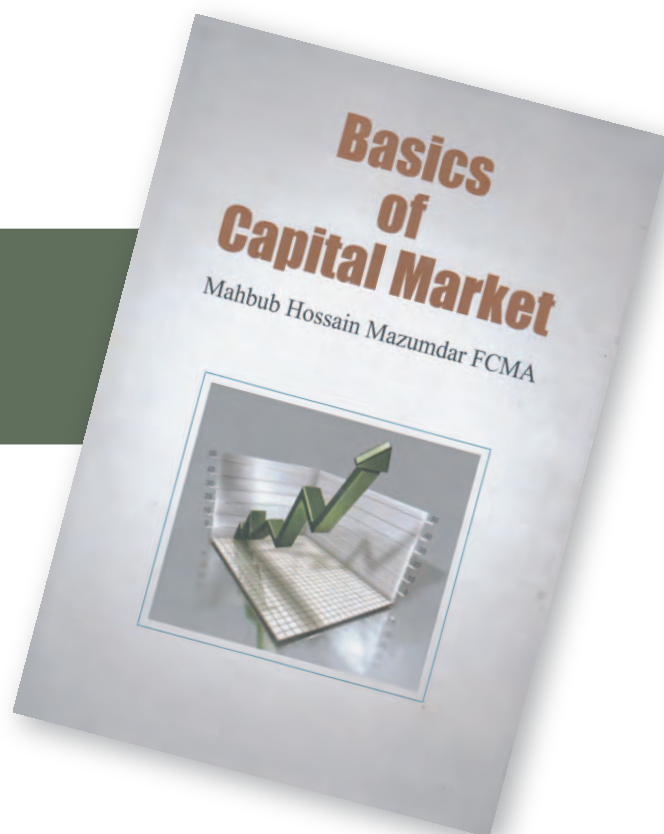
by Mahbub Hossain Mazumdar FCMA.

Basics of Capital Market. Dhaka: Somoy Prokasoni, Bangla Academy Book Fair, 2015

Basics of Capital Market is an intellectual compilation of knowledge about capital market with special focus on the context of Bangladesh. The book answers some important questions of what are the different functional aspects of capital markets. The author, Mahbub Hossain Mazumdar FCMA, was born in 1969 in an illustrious family of Dhaka. He is a professional Cost & Management Accountant from Institute of Cost & Management Accountants of Bangladesh (ICMAB) and currently holds the position of Chief Executive of AFC Capital Ltd (a merchant bank).

The book is a timely initiative by the author to disseminate knowledge about capital market issues when investors' lack of awareness is treated as one of the important factors for capital market collapse in Bangladesh. The contents of the book have high value to delivering primary idea about Bangladesh's capital markets with the global phenomena. Specially, the new learners about capital market can get an excellent support from this book to find the answers of their important questions.

The first chapter of the book focuses on the general discussion about capital markets in Bangladesh including the history and basic functions of stock exchange. Thereafter, the book highlights the historical trend of some globally renowned stock exchanges to set an international phenomenon of capital market. Capital Market



Jargons are essential to understand the overall operation of stock exchanges which is discussed in chapter three. Following this, the discussion of the book sheds light on capital market and money market. This part provides an insightful discussion to understand the interrelation of capital market and money market, and most importantly the role of financial institutions in capital market operation. The knowledge about the theories of capital market is essential to understand capital market dynamics. The chapter five discusses different theories of capital markets which follows the technical discussion on valuation in chapter six. This part summarizes different valuation models which may assist readers to contrast among models. The chapter seven, eight and nine discusses on share price in secondary market, behavioral finance and portfolio management respectively which is highly relevant and effective for investors to enhancing their understanding about the multifaceted movement of stock prices and stock return. The discussion on mutual fund and hedge fund in this book is an important contribution in the scarce literature on mutual fund and hedge fund in the context of Bangladesh. The chapter twelve presents the corporate governance scenario of Bangladesh and its comparative discussion with corporate governance scenario of USA, UK and India. Indeed,

the analysis of code of corporate governance promulgated Bangladesh Securities and Exchange Commission (BSEC) can enhance the awareness of readers about corporate governance requirements in Bangladesh. In addition, the discussion on golden rules of investment may magnify the understanding of readers regarding key factors should be considered in taking investment decision in stock markets. This book presents some big stock market scams in the global context and also highlights the stock market scams in Bangladesh which may give the opportunity to readers to get an idea about capital market scams in different contexts. Moreover, this knowledge about the stock market scams is valuable to readers to understand some unexpected reality of capital market. The chapter sixteen discusses about the qualitative and quantitative parameters are used by investors in investment decision making which can give a holistic orientation about the investment decision. The book ends with the discussion on prospects of Bangladesh capital market comprising problems and prospects of the underdeveloped market.

In brief, the book is an excellent compilation of some key issues relevant to capital market in the context of Bangladesh. However, the contents of the book suffer from the lack of real life examples which could make easy for the readers to understand the complex issues and phenomena of capital market. In addition, though the book accumulates a lot of issues of capital market, the story telling approach is absent to present the literature. Nevertheless this book is a valuable contribute in the scarce literature on capital market in Bangladesh which may be helpful to educate investors about the essence of investment decision as well.

The book is reviewed by: Syed A. Mamun, Ph.D., ACMA, Associate Professor, School of Business Studies, Southeast University, Bangladesh.



Author's Profile:

Mr. Mahbub Hossain Mazumdar FCMA was born in 1969 in an illustrious family of Dhaka. His parents belonged to Chandpur district in Bangladesh. His father is Late Manirul Islam Mazumdar, who was a respected government officer and his mother is Mrs. Rashida Begum, who served as a headmistress of a school. Mr. Mazumdar obtained his Master's degree in Accounting from University of Dhaka in 1990. He completed his CMA degree at ICMAB in 1997. He got his FCMA designation in 2005. He is currently serving as the Chief Executive of AFC Capital Ltd. (A Merchant Bank) and Managing Director (MD) of United Corporate Advisory Services Ltd. (UCAS). He worked in different renowned for profit organizations. He is an EC member of Bangladesh Merchant Bankers Association and a reputed member of the General Body of FBCCI. He is known as an expert of capital market, Mr. Mazumdar appeared in many business talk shows for building awareness on capital market among the investors and common people. Most of these programs are shown in electronic medias. In 2015, he wrote a book on capital market "Basics of Capital Market" which gained tremendous popularity among capital market stakeholders in Bangladesh. His publications include "Book-building and its significance in better IPO" and "Trade Facilitation in Bangladesh: Hindrances and Needed Initiatives for Export Competitiveness". In personal life, he is married and they are blessed with one child.