

**REVISED ORDINANCE
FOR
BACHELOR OF FINANCIAL AND INVESTMENT ANALYSIS
SCHEME OF STUDY
AND
SCHEME OF EXAMINATION & PROMOTION**

(Ordinance applicable to the students seeking admission to the Bachelor of Financial and Investment Analysis course in the academic year 2010-11 and onwards).

BACHELOR OF FINANCIAL AND INVESTMENT ANALYSIS

SCHEME OF STUDY FOR 2010-11 AND ONWARDS

1. Bachelor of Financial and Investment Analysis shall be a three year full time professional degree program, to be taught in six semesters, viz., Semester I, II, III, IV, V and VI. There will be 24 papers in all to be taught over the six semesters. One computer practical in every Semester I through Semester V. Project submission in Semester VI.
2. Candidates who have passed XII class examination of the CBSE or any other examination considered equivalent by the University of Delhi shall be eligible for taking entrance test for admission to the BFIA course subject to the details of the eligibility conditions required and the admission procedure to be laid down by the University from time to time.
3. Students are required to do 24 courses, computer practical and one specialization project to be submitted during semester VI.
4. Teaching methodology would include Lectures, Case Studies, Business Games, Seminars & Project Work. As computers have entered every walk of life, wherever applicable relevant software would be integrated into the course. This is in addition to separate computer paper and practical. Industry Interaction would be through Guest Lectures/ Seminars/ Projects/ Industrial tours. Short-term Add-on courses can be introduced by the college and students may opt for them.
5. Medium of teaching will be English only.
6. For each paper, each week, four lectures and two interactive periods of 55 minutes each will be conducted. For the paper requiring interface with computer one of the two interactive periods may be used per week for Computer Lab work.
7. No student shall be deemed to have pursued a regular course of the study unless the Principal/Head of the Department concerned is satisfied that the required conditions in respect of his/her course of study have been fulfilled.
 - (a). The required conditions shall not be deemed to have been satisfied in respect of the course unless a student has attended:
 - (i). two-thirds of the lectures delivered in each semester during his/her course of study, and
 - (ii). two-thirds of the interactive classes and case discussions, seminars and computer labs and practical, etc., conducted in each semester during his or her course of study.

The minimum attendance of two-thirds shall be required separately for point 8 (a) (i) and (ii) above.

Provided that, he/she fulfills other conditions as laid down hereinafter, the Principal/Head of the Department may permit a student to proceed to the next semester who falls short of the required percentage of attendance by not more than 10% of the lectures or interactive periods and case discussions, seminars, practical, delivered or conducted during the semester, but a student so permitted shall not be deemed to have completed a regular course of study in the next succeeding semester unless he/she has made up the shortage so condoned.

- (b). Further, in addition to the above, all students, as per the directives of the college placement cell, shall have to undertake summer training for a duration of 6 to 8 weeks at the end of semester IV during summer vacations. A student shall become eligible for grant of degree only on the satisfactory completion of such training and submission of the report and viva-voce conducted and duly certified by the college authorities.
8. Every semester will be of 15 weeks teaching. For each theory paper in every semester there shall be four lectures and two interactive periods per week. It is expected, thus, that 60 periods per semester per paper shall be devoted by the concerned teacher through lectures besides 30 interactive periods to be used for case discussions, assignment discussions, tests, presentations, functional specialization project guidance, computer labs etc. In case of computer practical, 2 periods per week for a group of 20-25 students shall be conducted.
9. For paper no. 605, project submission, the guidance for this should begin from semester V onwards. The teachers teaching in semester V & VI should utilize one of the interactive classes in guiding the students for their projects.
10. The projects have to be submitted during Semester VI. They have to be submitted in duplicate with an executive summary. The last date of the submission and further examination through presentation and viva-voce to be decided by each college conducting such course.
11. The faculty will constitute a Committee of Courses for appointing the examiners for all the theory paper and project paper no. 605.
12. All colleges conducting such a course shall convene the meeting of teachers teaching different papers every semester before the commencement of the academic session to work out the detailed reading lists and topic wise weightage in each paper.

The scheme of examination for BFIA shall be as follows:

Sem. No.	Paper No. and Title	Lectures per week*	Interactive Classes per week*	Written exam duration (in hrs.)	Written Exam Maximum Marks	Internal Assessment Maximum Marks	Total Maximum Marks (4) + (5) = (6)
		(1)	(2)	(3)	(4)	(5)	(6)
I.	101: Business Communication & Negotiation	4	2	3	75	25	100
	102: Fundamentals of Business Management	4	2	3	75	25	100
	103: Financial Accounting	4	2	3	75	25	100
	104: Business Statistics	4	2	3	75	25	100
	105: Computer Practical	2 periods per week per 20-25 students		Practical Exam 2	—	50	50
II.	201: Legal Aspects of Business –I	4	2	3	75	25	100
	202: Cost & Management Accounting	4	2	3	75	25	100
	203: Managerial Economics	4	2	3	75	25	100
	204: Financial Management	4	2	3	75	25	100
	205: Computer Practical	2 periods per week per 20-25 students		Practical Exam 2	—	50	50
III.	301: Economic Environment & Policy	4	2	3	75	25	100
	302: Legal Aspects of Business II	4	2	3	75	25	100
	303: Financial Statement Analysis	4	2	3	75	25	100
	304: Quantitative Techniques	4	2	3	75	25	100
	305: Computer Practical	2 periods per week per 20-25 students		Practical Exam 2	—	50	50
IV.	401: Financial Services	4	2	3	75	25	100
	402: Financial Instruments & Market	4	2	3	75	25	100
	403: Security Analysis and Portfolio Management	4	2	3	75	25	100
	404: Computer Application in Finance	4	2	3	75	25	100
	405: Computer Practical	2 periods per week per 20-25 students		Practical Exam 2	—	50	50
V.	501: Business Ethics & Corporate Governance	4	2	3	75	25	100
	502: Corporate Restructuring & Merchant Banking	4	2	3	75	25	100
	503: Direct Taxation	4	2	3	75	25	100
	504: International Finance	4	2	3	75	25	100
	505: Computer Practical	2 periods per week per 20-25 students		Practical Exam 2	—	50	50
VI.	601: Corporate Taxation	4	2	3	75	25	100
	602: Management of Financial Institutions	4	2	3	75	25	100
	603: Strategic Corporate Finance	4	2	3	75	25	100
	604: Financial Derivatives	4	2	3	75	25	100
	605: Project Submission (Finance Specialization)	Evaluation through Project Submission, Presentation and Viva Voce					
TOTAL							2750

*Lectures/Interactive Classes/Periods will be of 55 minutes each.

BACHELOR OF FINANCIAL AND INVESTMENT ANALYSIS

SCHEME OF EXAMINATION AND PROMOTION FOR 2010-11 AND ONWARDS

1. English shall be the medium of instructions and examination.
2. Each theory paper shall carry 100 marks. 25 marks shall be reserved for internal assessment based on 5 marks for attendance and class participation, 10 marks for assignments/ tests and 10 marks for term paper/project. For each theory paper, a written examination of three hours duration at the end of each semester for 75 marks will be conducted by the university.
3. All computer practical in each semester shall carry 50 marks. 25 marks evaluation will be continuous through the semester and the other 25 marks evaluation will be done at the end by an examiner, other than the one teaching that group of students in the college. The computer practical exam will be of two hours duration to be conducted by the college.
4. Project work shall carry 100 marks in the area of specialization and shall begin from V semester and submitted at the end of semester VI. This shall be jointly evaluated by an internal and external examiner, through presentation and viva voce.
5. An examination in all odd semester papers shall be conducted at the end of odd semesters and an examination in all even semester papers shall be conducted at the end of even semesters with an only exception of V semester exam to be held along with the VI semester exam. No supplementary examination for any of the semester shall be conducted.
6. Students will be allowed to use scientific calculators (non-programmable).

PROMOTION RULES:

7. **Internal assessment is conducted once:** The internal assessment of each student in each paper is conducted when the student is enrolled as a regular student in the year in which the particular paper is taught. Internal assessment marks scored by the student shall remain unchanged in case the student subsequently engages in essential reappear, reappear for improvement or reappear after failing.

8. **Passing in an academic year:** A student shall be required to obtain at least 50% of marks in the aggregate, in both the semesters together in all the papers and computer practical, to be declared passed in a particular year.
9. **Promotion to the next semester:** A candidate must score at least 40% of total marks (75 marks) for which the University exam is being conducted in each paper and 40% of total marks (50 marks) in computer practical to be declared passed in that paper/practical. In case, he/she does not score 40% marks the student is declared failed in that paper/practical. The student shall not be allowed to take forward more than 2 papers to be eligible for promotion from one semester to the next.
10. **Passing after promotion with essential reappear:** A student will be required to reappear in any paper(s) (not more than 2 papers in any semester) if the score in that paper is less than 40%. The student will take the exam only when that exam is scheduled to be conducted by the University.
In case a student has to undertake his/her specialization project again, his/her Presentation and viva-voce shall be conducted again.
11. **Failing in a year:** A student who is not eligible for passing or for promotion with reappear shall be deemed to have failed in the particular year. The student who fails in the examination shall be required to reappear in the subsequent examination on being enrolled as an ex-student as per the rules of the University of Delhi.
12. **Reappearing for a failed student:** An ex-student shall be required to appear only in those papers in which the student has failed. In case he/she is not fulfilling the requirement of 50%, in aggregate he/she may repeat the whole semester or semesters. The exam will be taken by the student only when the exam is scheduled to be conducted by the University.
13. **Scheduling of Examination:** An examination in all odd semester papers shall be conducted at the end of odd semesters and an examination in all even semester papers shall be conducted at the end of even semesters with an only exception of V semester exam to be held along with the VI semester exam. No supplementary examination for any of the semester shall be conducted.
14. **Reappearing for improvement:** Improvement in any paper may be allowed only once during the course of the study even though the candidate may have scored more than 40% marks in that paper and only when the exam for such papers is being conducted.
15. **Revaluation will not be allowed.**

BFIA Syllabus

I Semester

- 101 Business Communication & Negotiation
- 102 Fundamentals of Business Management
- 103 Financial Accounting
- 104 Business Statistics
- 105 Computer Practical-I

II Semester

- 201 Legal Aspects of Business –I
- 202 Cost & Management Accounting
- 203 Managerial Economics
- 204 Financial Management
- 205 Computer Practical-II

III Semester

- 301 Economic Environment & Policy
- 302 Legal Aspects of Business II
- 303 Financial Statement Analysis
- 304 Quantitative Techniques
- 305 Computer Practical-III

IV Semester

- 401 Financial Services
- 402 Financial Instruments & Market
- 403 Security Analysis & Portfolio management
- 404 Information Technology for Business
- 405 Computer Practical-IV

Summer training for six weeks

V Semester

- 501 Business Ethics & Corporate Governance
- 502 Corporate Restructuring & Merchant Banking
- 503 Direct Taxation
- 504 International Finance
- 505 Computer Practical-V

VI Semester

- 601 Corporate Taxation
- 602 Management of Financial Institutions
- 603 Strategic Corporate Finance
- 604 Financial Derivatives
- 605 Project Submission (Finance Specialization)

Instructions:

1. All papers have four units and each unit has equal weightage
2. Total marks for the paper will be 100 out of which 25 will be internal marks and 75 will be final marks
3. Internal Marks will be based on minimum three components- class test, Home assignment, project work & presentation, Class participation etc. The attendance marks will be a separate component i.e. in addition to the above said three components.
4. Final exam should have two components: Part A and Part B
5. Part A should be multiple choice questions of total 15 marks belonging to whole syllabus where as Part B should be of 60 marks equally divided among four groups i.e. each group will carry questions of 15 marks.
6. Being a high end Financial course (BFIA) students shall be allowed to use Non programmable Scientific calculator in the class room and in examinations because real life questions of financial world cannot be solved with the help of available 'Annuity Table'.
7. Additional input on relevant topics of current interest should be given from industry experts either through Guest lecture, talk show or through seminars.
8. Summer internship at the end of 2nd semester is desirable but at the end of 4th semester is must. Students are advised to go for both internships.

Paper No. 101: BUSINESS COMMUNICATION & NEGOTIATION

Objectives: The objective of this paper is to develop effective communication skills of the students. This will enable the students to communicate effectively across all areas of business and management.

UNIT-I

Introduction to Business Communication

Basic form of Communication – Downward, upward and Horizontal communication, Process of communication.

Corporate Communication – Formal and informal communication network, Grapevine – single strand, gossip, cluster, Probability, Importance of Grapevine, Miscommunication or Barrier to communication – Wrong choice of medium, Physics barriers, Semantic barriers, different Comprehension of reality, Socio psychological barriers.

Principles of Communication - 7c's concept

UNIT-II

Writing Skills – Planning business messages, Business letters, Memo formats, Request letters, Good news letters, Bad news letters, Persuasive letters – AIDA, Sales letters, collection letters

Report writing – Contents of report writing : claims, p. contribution, Employer reference, Profit appraisal - change in performance

UNIT-III

Oral Presentation – Principles of oral presentations, Factors effecting presentations

Non – Verbal communication – Appearance, Body language, Para language, Time, Space, Silence.

Effective Listening – factors affecting listening, Improving listening

UNIT-IV

Interviewing Skills – Interviewer's preparation, Interviewee's preparation, Types of interview

International Communication – Cultural sensitiveness, Cultural context

Negotiation Skills – Process, Strategies, Issue in Negotiation – Collective bargaining, Process & Essentials of effective Business Communication.

Suggested Reading

Ronald E. Dulek, John S. Fielden, "Principles of Business Communication", Macmillan Publishing Co., Latest Edition

Murphy, Hiderbrandt and Thomas, "Effective Business Communication", Tata Mcgraw Hill. Latest Edition.

Bovee Thill, "Business communication Today", Mc Graw Hill, Latest Edition.

Malra Treece, , "Successful communication", Allyn and Bacon, Latest Edition.

Randall E. Majors, "Business communication". Harper & Rom Pub. Latest Edition.

Persing, "Business communication dynamics". St. Paul: West Publishing Co.

Mary Ellen Guffey, "Business communication", San Val, Latest Edition.

Fred Luthan, "Organizational Behavior", Tata Mcgraw Hill, Latest Edition

(For Negotiation Skills)

C.B Mmoria, "Industrial Relation", Himalaya Publishing Co., Latest Edition.

(For the topic of collective bargaing)

PAPER NO 102: FUNDAMENTALS OF BUSINESS MANAGEMENT

Objective: This subject is intended to provide and insight into the fundamentals of Business and its types. The students after reading this paper will able to understand the different forms of businesses and will able to make decisions in more judicious way.

UNIT-I

Forms of Business organization & ownership: Non-corporate organization- Sale proprietorship: characteristics, merits & demerits. Partnership: characteristics, kinds of partnership, kind of partners, merits & demerits, introduction to Joint Hindu family system, association & trusts. Corporate organization- Joint stock companies: characteristics, kind of companies, merits & demerits, introduction to memorandum of association & articles of association. Co-operative societies: characteristics, types of co-operatives, merits & demerits. Public Enterprise: Departmental undertaking, public co-operations. Govt. company- Characteristics, merits & demerits.

Planning: Essentials of Planning, planning process, types of planning strategies, policies and planning premises in global environment.

Organizing: Organization as structure and process with special reference to financial institution, formal and informal organisation, organising principles, line organization, functional organisation, line and staff organisation, conflict between line and staff, departmentation by functions, product/ service, geographical territories, customer/ client group, process / equipment, departmentation by project / matrix organisation, decentralization of authority, determination of effective decentralization, making decentralization effective.

Decision making: Types and process of decision making.

Staffing: Recruitment, sources of recruitment steps of selection procedures (in brief).

UNIT-II

Motivation: Motivation: Concepts and their application, Content & Process theories, Empowerment and economic incentives as motivational tools.

Leadership: Brief introduction to Leadership styles, trait approach to leadership, behaviour approaches to leadership; Situational theories; Transformational Leadership, Neutralizers and substitutes to leadership.

Controlling: Meaning, nature, process, requirements of an effective control system controlling techniques. Budgetary control, types of budgets, non-budgetary techniques-personal observation, statistical data, special report & analysis, operational audit, financial statement analysis, standard costing.

UNIT-III

Concept of Business Environment: Changing role of the state in a mixed economy framework.

Economic Trends (Overview) : Income, Saving and Investment, Industry, Foreign Trade and Balance of Payments, Money, Finance, Prices.

Problems of Growth : Unemployment, Poverty, Regional Disparities, Social Injustice, Inflation, Parallel Economy, Human Resource Development, Resource mobilization, Political instability, Country Border, Internal security threat.

Role of Government: Monetary and Fiscal Policy, Industrial Policy, Industrial Licensing, Privatization, Export-Import Policy, Regulation of Foreign Investment, Terrorism and Nexalism.

Current Five Year Plan: Major Policies Shifts and Emphasis.

UNIT-IV

International Environment: International Trading Environment (overview), Trends in world trade and the problems of developing countries, International economic groupings like SAARC, ASEAN, EU, G20. Comparison of INDO-CHINA and BRIC, International economic institutions, WTO, World bank and IMF.

Latest developments in the field

Reference Books:

1. Koontz, H. & H. Weihrich, "Essential of Management: An International Perspective", Tata Mcgraw Hill, Latest Edition.
2. Stoner & Wankel, "Management", Prentice-Hall, Latest Edition
3. Robbins, S.P., "Management", Prentice-Hall, Latest Edition
4. Bhushan. Y.K., "Fundamentals of Business Organisation of Management", Sultan Chand & Sons, Latest Edition.
5. Luthans , F., "Organizational Behaviour", Tata Mcgraw Hill, Latest Edition.
6. Robbins. S.P., "Organizational Behaviour", Prentice-Hall, Latest Edition

PAPER NO 103: FINANCIAL ACCOUNTING

Objective: This subject is intended to provide and insight into the fundamentals of financial accounting and its basic principles, The students after reading this paper will able to understand the different aspects of businesses accounting, the mechanics of preparation of financial statements and understand corporate financial statements.

UNIT-I

Introduction to Financial Accounting: Introduction, importance & scope, limitations. Concepts & conventions- generally accepted accounting principles, Indian accounting standard-an overview, the accounting equation, nature of accounts & rules of debit & credit, recording transactions in general journal, cash book, sales book, sales returns book, purchase book, purchase returns book, ledger accounts, preparation of trial balance, opening, closing and adjustment entries, Preparation of Trading account, profit and loss account, Balance sheet.

UNIT-II

Fixed Asset accounting (Accounting standard-10)

Depreciation Accounting: Meaning and objectives of providing depreciation, Methods of recording depreciation, Methods of calculating depreciation charge, Change in method of calculating depreciation charge, Disposal of an asset, Depletion, Amortization and Obsolescence. Accounting standard-06.

UNIT-III

Accounting for inventory (Accounting Standard-02)

Cash flow and funds flow statements

Introduction to corporate finance statements and Annual Report (overview of contents)

UNIT-IV

Computerized Accounts: Creation of vouchers & recording transactions; preparing reports- cash book, ledger accounts, trial balance, income statement and balance sheet by using a reputed accounting software package.

Latest developments in the field

References:

- Ghosh, T.P., "Financial Accounting for Managers", Taxmann Publications, Latest Edition.
- Balwani, Nitin, "Accounting & Finance for Managers", Excel Books, Latest Edition.
- Gupta, Ambrish, "Financial Accounting for Management",
- R.L.Gupta & V.K.Gupta, "Principles & practices of Accountancy", Sultan Chand & Sons, Latest Edition.
- R.L.Gupta & M.Radhaswamy, "Advanced Accountancy", Sultan Chand & Sons, Latest Edition.
- S.P.Gupta & K.L.Narang, "Advanced Accounting", Sultan Chand & Sons, Latest Edition.
- Ashish K.Bhattacharyya, "Financial Accounting for Business Managers", Prentice Hall, Latest Edition.

PAPER NO 104: BUSINESS STATISTICS

Objective – This paper deals with the basic concepts of Business statistics which will enable the students to use the tools of statistics and their applications in business and finance decisions.

UNIT-I

Introduction to statistics – Meaning, applications and limitations of statistics. Primary and secondary data.

Classification and Presentation of data – Types of classification, Tabulation and Graphical presentation of data- Bar diagram, Histogram, Frequency polygon and ogive.

Measures of central tendency – Concept of arithmetic mean, geometric mean and harmonic mean, median and mode, applications and limitations.

Measures of dispersion – Concept of range quartile deviation, mean deviation and standard deviation, application and limitations. Measure of Skewness and Kurtosis.

UNIT-II

Probability – Concept, types of events, Theorems of probability, conditional probability, Bayes's theorem application.

Probability Distribution - Concept of discrete and continuous random variables, mathematical expectation, Binomial, Poisson and normal distribution – properties and inter – relationship, Applications.

Sampling Theory – Population and samples, types of sampling, confidence interval, test of Hypothesis (Z test, t test, f test and chi-square)

UNIT-III

Correlation and Regression Analysis – Concept, relation between correlation and regression, methods of estimating linear correlation – scatter diagram, Karl Pearson, Spearman, concurrent deviation, concept of partial and multiple correlation, regression linear and equations, application, concept of multiple regression.

UNIT-IV

Interpolation and Extrapolation – The graphical and Linear approximation method, Interpolation in Financial Analysis.

Index Numbers – Concept, application, weighted and Un-weighted methods of calculating index numbers, Quantity and value index, consumed price index.

Time series analysis – Concept, component of time series, methods of trend analysis. Forecasting-using SMA, WMA and EMA.

Readings

S.P.Gupta. "Statistical Methods", Sultan Chand & Sons, Latest Edition.

Levin and Rubin, "Statistics for management", Prentice Hall, Latest Edition.

Boot and Cox, "Statistical analysis for Managerial Decisions", McGraw Hill, Latest Edition.

Paper No. 105: Computer Practical-I

Word Processing Software: Working with text (creating, saving, formatting), Setting margins and page breaks, headers, footers, endnotes, footnotes, Tabs, Tables, Sorting, paragraph setting, Mail merge-creating and editing the main document & data source, Linking and embedding.

Spreadsheets Software: Basic concepts, working with worksheet – editing and formatting, understanding cell referencing – absolute, mixed, relative, using formulas – statistical, mathematical, logical, financial, text, Pivot Table and Report, Goal Seek, working with charts.

Presentation Software: Making presentation, auto content wizard, adding text to the slides, PowerPoint views, inserting features, adding pictures to a slide, creating a chart, change color scheme, add graphics, inserting video, moving slides, animation and sound, design templates, slide transition effect, self running presentation,

Reading:

1. Manuals for MS-Office, Excel, MS -Word, MS – Access
2. Mansfield. Ron, Compact Guide to MS - Office, BPB Publications.
3. David Angell Microsoft Office Word 2003 Bible
4. Faithe Wempen - Special Edition Using Microsoft Office Word 2007
5. Julia Kelly- The Unofficial Guide to Excel 2003
6. David Rivers PowerPoint 2003 Essential Training
7. Greg Perry, Microsoft Office 2007, Sam Teach your self, Pearson Education.
8. Mansfield, MS Office, Reprint 2006, Tata McGraw-Hill ,
9. Microsoft Office System step by step. 2003 edition, PHI, Vikas Guptha, Comdex Computer Course Kit, Office 2007, Dreamtech Press, Wiley-India

PAPER NO 201: LEGAL ASPECTS OF BUSINESS – I

Objectives: The purpose of this paper is to acquaint the students with the legal environment of India which dictates the conditions of doing the business. This paper will enable the students to understand how the different Acts play their role in business decisions.

UNIT-I

The Indian Contract Act 1872

Definition of the term "Contract", "agreement", Essentials features of a contract, Classification of contracts.

Proposal or Offer- Definition, legal rules of a valid offer-Offer, invitation termination of offer.

Acceptance-Definition, Essentials of a valid acceptance a mode of conveying acceptance, Legal rule of a valid acceptance.

Communication of offer, acceptance & revocation.

Consideration Definition- Essentials of a valid consideration, exceptions to the rules no consideration no contract, legality of object & consideration.

Privity of Contract-Exceptional to the rules of privity.

UNIT-II

Capacity to Contract- Minor agreements, absolutely void. Doctrine of restitution, specific Rule of Act 1963, Statue of Beneficial Contracts – Contracts of Apprenticeship.

Free consent, Coercion-Definition & Essential elements, Definition-essential elements. Fraud - Definition & essential elements. Misrepresentation-Definition & Essential element. Undue influence. Rescission, Mistake, Effect of mistake on a contract, Mistake all to fact essential to the agreement (1) . The Identity of the parties (2). The identity & nature of the subject matter (3) The nature and content of the promise.

Legality of objects or consideration, Heads of public policy.

- (i) Definition of valid agreement & voidable agreement. Agreement Sec 2(1).

UNIT-III

Special Contracts- Contract of Identity- Definition, extent of liability, Commencement of liability. Contract of guarantee- essential features of a guarantee-guarantee of a minor debt-extent of surety's liability-co-extension-surety's right to limit the liability-liability undue continuing guarantee Joint Debtors & Suretyship. Contingent contracts, Quasi contracts (in brief), performance of contract, Breach of contract. Discharge of surety from Liability.

Bailment – Definition- Bailment, Bailor & Bailee, Essential Features: Delivery of possession- actual or constructive delivery, Delivery upon contract-non constructive bailment, Conditional delivery.

DUTIES OF THE BAILEE – GUARANTOR & NON-GUARANTORS

Finder of lost goods , RIGHTS OF BAILOR , PLEDGE , Pawnee & pawner defined Essential feature –

Agency. Agent a Principal defined – Essentials of agency, Kinds of Agent- Factor, Broker & Dealer, Creation of Agency , Duty of Agent , Rights of Agent, Enforcement & Consequence of agents contracts.

UNIT-IV

THE PARTNERSHIP ACT 1932.

Sec 4 – Definition of "Partnership". Essentials of Partnership, Relation of Partners to one another – Determination of rights and duties. Duties of Partner, Statutory Rights of Partners , Procedure of registration & effects of non-registration.

Sale of goods Act 1930 : Definition and essential of Sale.

Bilateral Contract

Money Consideration

Sale and contract of book on material

Goods.

Sale and an Agreement to Sell Formalities of Sale The Price

Conditions & Warranties, Implied Conditions, Implied Warranties, Exclusion of Implied Terms.

Seller remedies against the buyer, Latest developments in the field

References:

Avtar Singh, "Principle of Mercantile Law", Eastern Books Company, Latest Edition.

Gulshan & Kapoor, "Business law", New Age International Pvt. Ltd., Latest Edition.

-Maheswari & Maheswari, "Principle of Mercantile Law", Excel Books, Latest Edition.

PAPER NO 202: COST AND MANAGEMENT ACCOUNTING

Objective: This paper will acquaint the students with cost and management accounting concepts and its application for decision making.

UNIT-I

Cost Concept: Meaning, Scope, Objectives and importance of cost accounting, Costing, Cost center, Cost control and reduction, elements of cost, Cost sheet.

Classification of costs : Fixed, Variable, Semi – variable, slip costs, Product and period costs, Direct and Indirect costs, Relevant and Irrelevant costs, Shut down and costs, controllable and uncontrollable costs, Avoidable and unavoidable costs, Imputed hypothetical costs / out of pocket costs, opportunity costs, Expired and unexpired costs, Conversion cost.

UNIT-II

Costing for Material, Labour and overheads: Need and definition for material control, concept and treatment of holiday pay, Idle time and overtime. Meaning, classification and distribution of overheads.

Product Costing (Single / output costing), Job costing, Process costing, Normal and Abnormal losses. Joint and By products.

UNIT-III

Relevant costs and decision-making: Using cost-volume-profit and BEP analysis.

Budgetary Control: Meaning, type of budgets, steps in budgetary control, Fixed and flexible budgeting, zero-based budgeting.

UNIT-IV

Standard costing and variance analysis : Material, Labour and overhead responsibility accounting, Activity based costing, Target costing, Life cycle costing (only theoretical knowledge).

References:

Maheshwari, S.N., and Mittal, S.N. (2001-02), **Cost Accounting: Theory and Problems**, Shree Mahavir Book Depot (Publishers), Delhi.

Bhardwaj, P.N.A., Batra, V.K., and Batra, R.K. (1992), **Cost Accounting for Managers**, Global Business Press, New Delhi.

Bhattacharya, S.K., and Dearden John Revised by Sridharan, V.G. (2002), **Costing for Management**, Vikas Publishing House Pvt. Ltd., New Delhi.

Hornigren, C.T., Foster, G, and Datar, S.M. (2000), **Cost Accounting: A Managerial Emphasis**, Prentice Hall of India Pvt. Ltd., New Delhi.

Henke, E.O., and Spoede, C.W. (1991), **Cost Accounting: Managerial Use of Accounting Data**, PWS-KENT Publishing Company, Boston.

PAPER NO 203: MANAGERIAL ECONOMICS

Objectives: This paper enables the students to understand the microeconomic concepts and techniques and its application for evaluating business decisions.

UNIT-I

Introduction: Economics, types of economics-Micro and Macro, Significance of Micro and Macro to the managerial decisions.

Demand, Supply and Market Equilibrium: Individual demand for a product, market demand for a product, determinants of demand, individual supply of a product, market supply of a product, determinants of supply, market equilibrium.

Elasticity of Demand & Supply: Price elasticity of demand and its determinants, income elasticity of demand and its determinants, cross price elasticity of demand and its determinants, elasticity of supply and its determinants.

UNIT-II

Theory of Consumer Behaviour: Marginal utility theory & its weaknesses, indifference curve theory, indifference curves & its properties, budget line, price consumption curve - price effect, income consumption curve - income effect, substitution and income effects – normal, inferior and giffen goods, application of indifference curve theory, income leisure trade off, direct vs. indirect tax.

UNIT-III

Theory of Production: Production with one variable input, production function, concept of total product, average product and marginal product, law of diminishing marginal productivity, geometry of product curves, three stages of production. Production and optimal input proportions: two variable inputs, production isoquants, marginal rate of technical substitution, returns to scale, optimal combination of resources, input prices and iso costs, maximising output subject to a given cost, minimising cost subject to a given output, expansion path.

Theory of Costs: Theory of short run costs – geometry of cost curves, long run theory of costs-envelope curve, economies & diseconomies of scale. Modern theories of costs.

UNIT-IV

Theory of Firm & Market Organization: Theory of price in perfectly competitive markets- features of perfect competition, short run equilibrium of firm and industry, long run equilibrium of firm and industry, effect of changes in fixed cost, variable cost and market demand & taxes on equilibrium, perfect competition and optimal allocation of resources. Theory of price under monopoly- features of monopoly, short run equilibrium, long run equilibrium, is there any supply curve under monopoly? Effects of changes on fixed cost, variable cost, taxes and market demand on equilibrium, comparison of monopoly and perfect competition, price discrimination, welfare cost of monopoly. Theory of price under monopolistic competition- features of monopolistic competition, short run equilibrium, long run equilibrium, excess capacity, and comparison of monopolistic & monopolistic competition, comparison of monopolistic & perfect competition. Theory of Price under oligopoly- Kinked demand curve model, dominant price leadership, long run adjustments & efficiency implications of oligopoly.

Readings:

- Browning & Browning, "Managerial Economics", Wiley & Co. (2nd Edition)
- Gould & Lazer, "Micro Economics" (6th Edition)
- Koutsoyiannis, "A Modern Micro Economics", Macmillan, Latest Edition.

PAPER NO 204: FINANCIAL MANAGEMENT

Objective: The objective of this paper is to equip the students with the basic concepts of financial management- its tools and techniques applied for financial decisions.

UNIT-I

Introduction to financial management: Evolution, objective, principles of corporate finance, agency problems, interface of financial management with other functional areas, organisation of financial management, environment of corporate finance.

Time value of money: Role of time value in finance, basis for time value of money, computation of present values & future values, single cash flow, multiple cash flow stream, annuities, growing annuities, perpetuities, growing perpetuities, the frequency of compounding & discounting, effective interest rate, special applications of time value.

Sources of long term finance: Shares, debentures and term loans, convertible debentures and warrants, asset based financing- lease, hire purchase & project financing, venture capital financing

UNIT-II

Long term investment decisions: Capital Budgeting- introduction, motives for capital expenditure, importance of capital budgeting decision, capital budgeting process, kinds of capital budgeting decisions. Estimating cash flows- kinds of cash flows, elements of the cash flow stream, basic principles of determining cash flow stream (case of single proposal, replacement, mutually exclusive.)

Techniques of capital budgeting- traditional techniques- pay back, average rate of return, discounted cash flow technique- NPV, IRR, PI, TV & MIRR, NPV vs. IRR, problems with IRR, NPV Vs. PI, sources of positive NPV, selecting an appropriate technique.

Capital budgeting- Capital rationing, capital budgeting under inflation, optimum replacement timings, deferrable decisions.

Risk analysis in capital budgeting- Conventional techniques of incorporation of risk- RADR, CE, statistical techniques of risk analysis, sensitivity analysis, scenario analysis & decision tree, break even analysis, abandonment evaluation in capital budgeting.

UNIT-III

Long Term Financial Decisions: Cost of Capital: Concept of cost of capital, factors affecting cost of capital, implicit and explicit cost of capital, specific and overall cost of capital, cost of long term debt, preferred stock, common stock and retained earnings, weighted average cost of capital, weighted marginal cost of capital, floatation cost and weighted average cost of capital.

Capital structure, cost of capital & value of firm: The concept of value of the firm, net income approach, net operating income approach, traditional approach, Modigliani- Miller approach, M-M hypothesis with tax, limitations, choosing an optimal capital structure.

Factors determining capital structure, profitability and capital structure, liquidity & capital structure, financial distress and other considerations.

Leverage- Concept of leverages, operating leverages, financial leverages, EBIT- EPS analysis, financial break even level, indifference point / level of EBIT.

Dividend Decisions: Dividend and valuation of the firm, arguments for dividend irrelevance, argument for dividend relevance, determinants of dividend policy, types of dividend policies, forms of dividend.

UNIT-IV

Short Term Financial Decisions: Fundamentals of working capital management, nature of working capital, trade-off between profitability and risk, determining financing mix- hedging vs. conservative approach trade-off between them.

Determinants of working capital- Planning for working capital, temporary and permanent working capital. changes in working capital. computation of working capital.

Working capital financing- Trade credit, bank credit, commercial papers, factoring.

Management of cash and marketable securities-Motives of holding cash, objectives of cash, management, factors determining cash needs, basic strategies in cash management, techniques of cash management, management of marketable securities.

Account receivable management: Objectives, cost and benefits of receivables, credit policies, credit terms, collection policies.

Inventory Management: Objectives, cost and benefit of holding inventory, techniques of inventory management- ABC system, EOQ, order point problem, safety stock.

Text Books

1. Prasanna Chandra, "Financial Management-Theory and Practice", Tata Mc Graw Hill
2. I.M.Pandey, "Financial Management" Vikas Publishing House.
3. R.P.Rustagi, "Financial Management- Theory, concepts & problems", Galgotia Publishing Co.
4. M.Y.Khan and P.K.Jain, "Financial Management- Text and problems", Tata Mc Graw Hill
5. Van Horne, "Financial Management". Pearson Education.

Reference Books

1. Corporate Finance- Theory and Practice- Aswath Damodaran- John Wiley and Sons, Inc.
2. Fundamentals of Financial Management- Vanhorne and Wachowicz, Jr.- Pearson Education
3. Principles of Corporate Finance- Brealey and Myers, Mc Graw Hill Inc.

Paper No. 205: Computer Practical-II

DBMS Package: Creating, modifying & saving a database; creating relationships between tables, using queries-query window, criteria & saving queries, queries through select statement, Filtering Records, Filter by Selection, Filter by Excluding, Filter by Form, Advanced Filter/Sort, Freezing columns

Working with forms: Using Form Wizard, putting list box, combo box on form, selecting & resizing labels, & data. moving adding & editing labels.

Creating Reports: Using Report Wizard, Sorting & grouping of records, choosing a format for reports.

HTML: Overview of HTML , Introduction to HTML , Creating an HTML Document , Formatting text with HTML - Paragraph Formatting with HTML , Character Formatting with HTML , Comparing Procedural and Descriptive Formatting , Adding local and remote links - Adding Local and Remote Links Adding Internal Links with the Named Anchor Tag , Adding graphics - Linking and Embedding Graphics , Creating lists in HTML - Creating Lists and Nested Lists , Creating tables in HTML - Creating and Modifying Tables , Creating Advanced Table Elements , Setting Body and Background Attributes - Setting Background and Text Colors

Front Page: basis of web page designing, front page editor, creating a web site, saving a web site, themes, hyperlink and tables.

Reading:

1. Michael Alexander - Microsoft Access Data Analysis: Unleashing the Analytical Power of Access
2. Matthew MacDonald - Access 2007: The Missing Manual
3. Martin Matthews and John Cronan - Microsoft Office FrontPage 2003 QuickSteps
4. Wendy L. Willard - HTML A Beginner's Guide.
5. Jennifer Niederst Robbins and Aaron Gustafson- Learning Web Design: A Beginner's Guide to (X)HTML, StyleSheets. and Web Graphics

PAPER NO 301: ECONOMIC ENVIRONMENT & POLICY

Objective: This Paper enables the students to understand the principles of macroeconomics and economic policy issues of the government.

UNIT-I

National income concepts and aggregates: Methods of calculating national income: production approach, income approach & expenditure approach. National income aggregates (GNP, NNP, GDP, NDP, market price & factor cost), GNP as an indicator of welfare.

UNIT-II

Classical theory of income & employment: Say's law, classical equilibrium without saving & investment, determination of income & employment with saving & investment. QTM & price level. Effect of changes in supply of labour, demand for labour and rigid money wages on income & employment. wage price flexibility and classical model, monetary & fiscal policy (neutrality of money)

Keynesian theory of income determination: Principle of effective demand and determination of equilibrium of output, aggregate demand and supply and equilibrium, savings & investment approach, Keynesian theory with government spending and taxation, Keynesian theory with foreign spending. Liquidity preference theory of interest.

Multiplier: Meaning, how to calculate the value of multiplier, assumptions & working of multiplier, dynamic multiplier, weaknesses of multiplier, multiplier in developing countries?

UNIT-III

Consumption: Consumption function: Average propensity to consume, marginal propensity to consume, determinants of propensity to consume, subjective and objective factors.

Investment: Meaning of investment, determinants of investment, marginal efficiency of capital, marginal efficiency of investment.

Inflation: Meaning, demand pull & cost push inflation, structural inflation, effects of inflation - effect on real income, distribution of income & wealth, effect on output, long run economic growth,

Inflation and unemployment: Phillips curve, long run Phillips curve.

UNIT-IV

IS-LM curve model: Goods and money market-equilibrium, IS curve: Deviation & shifts, LM Curve: Deviation and shifts, intersection of IS+LM Curves: simultaneous equilibrium of goods and money market, role of Governments fiscal and monetary policy.

Balance of payments & trade: Balance of payment, equilibrium in BOP, causes of disequilibrium in BOP, foreign exchange market: Determination of exchange rate, floating Vs fixed exchange rate, foreign exchange rate & BOP, devaluation & BOP- Absorption's approach, elasticity approach. B.P. curves: determination & shifts, intersection of IS, LM & BP curves.

Readings: Branson, "Macro economics – Theory and Policy", Harper and Row.
Dornbusch & Fischer, "Macroeconomics", McGraw Hill.
Shapiro, "Macroeconomic Analysis", Galgotia Publications.

Additional Readings:

Mankiw, "Macro Economics" (5th Edition), South Western
H.L. Ahuja, Macro Economics: theory & policy (12th Edition), S. Chand & Co.

PAPER NO 302: LEGAL ASPECTS OF BUSINESS –II

Objective: The purpose of this paper is to acquaint the students with Indian Companies Act 1956 which dictates the conditions of doing the business. The emphasis is on explaining how the different Acts play the role in business decisions.

UNIT-I

Meaning and Nature of Company: Definition- Independent Corporate Existence- Limited Liability- Incorporated Association- Artificial Person- Transferability of Share- Perpetual Existence- Common Seal- Separate Property- Capacity to Sue and Sued. Lifting of Corporate Veil- Circumstances under which the courts permit the lifting of Corporate Veil. Classification of Companies and their features- Chartered company- Registered company- Statutory company. Registered Company- Limited Liability and Unlimited Liability. A company limited by shares, limited by guarantee and limited by shares and guarantee. Private company and Public company and Deemed Public Company. Illegal Associations and its consequences.

Formation of Company: Promotion, Registration or Incorporation and Commencement of Business Promotion- Legal position of promoters- consequences of non disclosure- Remuneration of promoters. Registration- Pre incorporation contracts- Specific Relief Act 1963, Commencement of Business.

UNIT-II

Memorandum of Association: Definition- Significance of Memorandum, Clauses of memorandum. Name Clause- Change of name clause. Registered Office- Change of registered office. Objects and Powers- Doctrine of Ultra Vires- Charitable contribution- Effects of Ultra Vires Transactions- Change of Object Clause- Procedure. Capital Clause- Association of Subscription Clause.

Articles of Association: Definition- Obligations to register articles- Contents of Articles- Binding effects of Memorandum and Articles- Alteration of Articles. Doctrine of constructive notice of memorandum and article- Doctrine of Indoor Management- exceptions to the Doctrine of Indoor Management.

UNIT-III

Prospectus: Definition- Invitation to public- Registration of Prospectus- Contents of Prospectus.

Share Capital and Shares: Allotment of shares- Registration and Issue of Prospectus- Minimum Subscription- SEBI guidelines with regard to public issue- statement in lieu of prospectus- Issue of Sweat Equity Shares- Issue of shares at a premium- Share Certificates- contents of share certificate- Legal effects of share certificate- Share Warrant- Difference between a stock and share- Calls on shares- Requisites of a Valid Call- Forfeiture of shares.

Members and Shareholders: Circumstances where a person may become a member without being a shareholder- Circumstances where a person may be a shareholder but not a member – Modes of transfer and transmission of shares.

UNIT-IV

Management of a Company: Definition of a Director- Number of Directors- Appointment of Directors- First Directors- Subsequent appointment by members- reappointment of retiring Directors- Appointment of persons other than retiring Directors- additional Directors- Casual Vacancies- Alternate Directors- Appointment of Directors by third party- Limitation on number of Directorship- Share qualification- Disqualification of Directors. Definition of Managing Director- Whole time Director- Manager and Secretary.

Company Meeting: Statutory Meeting- Annual General Meeting- Extraordinary General Meeting. Requisites of a valid meeting- Proper authority, Notice, Chairman, Proxy, Voting. Resolution- Ordinary, Special, and Resolution requiring special notice.

Latest developments in the field and relevant cases.

Prescribed Books:

1. Avtar Singh, "Company Law", Eastern Book Company, Latest Edition.
2. Gulshan & Kapoor, "Business Law", New Age International Pvt. Ltd., Latest Edition.
3. Ashok K. Bagrial, "Company Law", Vikas Publishing House.
4. Majumdar & Kapoor, "Students guide to company law", Taxmann Publications.

PAPER NO 303: FINANCIAL STATEMENT ANALYSIS

Objective: This Paper equips the students to understand the financial reporting system of companies and enables them to analyze its financial soundness.

Unit-I

Introduction to Corporate Financial Statements: Preparation of balance sheet of a company as per schedule VI of the Indian companies act, horizontal & vertical form of company balance sheet. Understanding different types of profit viz. PBIT, PBT, PAT, Operating profit & distributable profit.

Annual report of a joint stock company- Chairman's statement, Directors' report, management discussion & analysis, report on corporate governance, auditor's report, corporate income statement & balance sheet, significant accounting policies and notes on accounts.

Unit-II

Understanding financial statements of Manufacturing concerns, Banks, NBFCs, Hospitals, Insurance companies through different ratio analysis, Horizontal and vertical analysis, Common size analysis, Risk Ratio analysis.

Unit-III

Financial Forecasting: Sales forecast, preparation of proforma income statement, proforma balance sheet, growth and external funds requirement, computerized financial planning system.

Unit-IV

Value & price: Need of valuation, valuation of an asset with guaranteed cash flows, introducing uncertainty into valuation (valuing an asset with default risk & equity risk), valuing an asset with an infinite life-equity & firm valuation, market prices & values.

Valuation of corporate acquisitions: Valuation Basics: Tools and techniques for valuing companies for acquisition, legal or investing purposes, Developing pro forma financial statements, Cash-flow based approach to valuation, Guideline companies approach to valuation.

Prescribed Books:

1. Friedson and Alvarez, "Financial Statement Analysis: A practitioners' Guide", Wiley finance.
2. Leonard Soffer and Robin Soffer, "Financial Statement Analysis: A Valuation Approach", Pearson Education, Latest Edition.
3. Bernstein, Leopold A., "Understanding Corporate Reports: A guide to financial statements", Dow Jones-Irwin, Latest Edition.
4. Ambrish Gupta, "Financial Accounting for Managers: An Analytical Perspective", Prentice Hall.

PAPER NO 304: QUANTITATIVE TECHNIQUES

Objectives: To acquaint students with different quantitative techniques for better managerial decisions

UNIT-I

Introduction: Introduction to operational research, nature and characteristic features of operational research.

Linear Programming: Definition of linear programming, assumptions of linear programming, formulation of L.P. Problems, graphic solution (special cases-multiple optimal solution, infeasibility, degeneracy, unbounded solution), simplex methods (special cases- multiple optimal solution, infeasibility, degeneracy, unbounded solution), two-phase method, big m-method, duality, emphasis will be on formulation & economic interpretation. Sensitivity analysis.

UNIT-II

Integer Programming: Model formulation and solution

Goal Programming: Model formulation and solution

Elementary Transportation: N.W. corner rule, Vogels approximation method (VAM), modified distribution method. computer solution and interpretation (special cases)

UNIT-III

Elementary Assignment: Hungarian assignment method, computer solution and interpretation. (special cases- multiple solutions, maximization case, unbalanced case, restrictions on assignment.

Network Analysis: Rules for drawing networks, critical path method, PERT, project time crashing,

Inventory Control: Classical EOQ model, EOQ with price breaks (questions based on these models), ABC Analysis.

UNIT-IV

Elementary Queuing Theory: Poisson- Exponential single server model with infinite population. (question based on M/M/1), multiple server solution on computer only.

Decision Theory: Pay off table, opportunity loss table, decision trees for sequential decisions, expected monetary value, expected opportunity loss, expected value of perfect information and sample information.

Introduction to Game Theory: Pay off matrix- Two person zero- sum game, pure strategy, saddle point; dominance property, mixed strategy, reduction of $m \times n$ game and solution of 2×2 , $2 \times s$, and $r \times 2$ cases by graphical and algebraic methods.

Readings:

1. N. D. Vohra, "Quantitative Management", Tata McGraw Hill
2. Barry Render & Ralph M. Stair, "Quantitative Analysis for Management" Allyn - Bawn Inc.
3. Yih Long Chang & Robert Sullivan, "Quantitative System for Business Plus [Computer Software]", Prentice Hall.

Paper No. 305: Computer Practical-III

Software for Business Analysis and Integration ie use of Business Performance and Benchmarking Software

Financial Analysis using Excel sheets

Prowess: The exposure to PROWESS of Centre for Monitoring Indian Economy is with a view to make students aware of data bases of Indian Companies and enable them to work on mini projects and think of topic for their final year project.

Hands on experience with Prowess of CMIE and a few simple exercises on ratio analysis using the package

ERP: Exposure to financial modules of ERP SW like General Ledger, Order entry, Asset management, Receivables and Payables management (logical explanations only).

References

- Enterprise Resource Planning - Alexis Leon
- ERP Ware: ERP Implementation Framework –V.K. Garg & N.K. Venkitakrishnan
- ERP Concepts and Planning - Garg & Venkitakrishnan

PAPER NO 401: FINANCIAL SERVICES

Objectives:

This Paper equips students to the complex structure of the Financial Services Sector and enable them to take financial services available in judicious manner.

UNIT-I

Introduction: Concept of financial services, difference between financial and non financial services, financial service providers in India, latest development in financial services, Regulatory frameworks related to different financial services like leasing, HP, NBFCs, Insurance Cos, HFCs.

Housing finance: significance of housing finance in economic development, NHB- as a regulator and refinancer, modus operandi of HFCs; Securitization – concept, types, process of securitization, securitization in India.

UNIT-II

Leasing and Hire Purchase: concepts of leasing, types of leasing – financial & operating lease, direct lease and sales & lease back, single investor lease and leveraged lease, Domestic lease and International lease, advantages and limitations of leasing, legal aspects of leasing, determination of lease rental; lease evaluation- the lessee's angle, determination of breakeven lease rental. Hire purchase: concept, mathematics of HP, legal aspects of HP, financial evaluation – the hirer's view.

UNIT-III

Venture Capital: Concept, history and evolution of VC, the venture investment process, various steps in venture financing, incubation financing.

Insurance: concept, classification, principles of insurance, IRDA and different regulatory norms, operation of General Insurance, Health Insurance, Life Insurance.

Credit Ratings: Introduction, types of credit rating, advantages and disadvantages of credit ratings, Credit rating agencies and their methodology, International credit rating practices.

UNIT-IV

Factoring: definition, different types of factoring arrangement, functions of a factor, advantage and limitations of factoring, factoring services in India.

Bill Financing: Concept, types and procedure of bill financing, foreign bills, discounting and rediscounting of bills.

Plastic money and ATMs- concept and application

Securitization: concept, securitization as a funding mechanism, Traditional and non traditional mortgages, Graduated-payment mortgages (GPMs), Pledged-Account Mortgages (PAMs), Centralized Mortgage obligations (CMOs), Securitization of non mortgage assets, Securitization in India.

Current developments

Text Book:

M Y Khan: Financial Services (TMH)

Reference Books:

Farouk Irani, "Inside Leasing", Tata McGraw Hill

Dr. Premal Joshi, "Leasing Comes of Age Indian Scene" Amrita Prakashan.

J.C. Varma, "Equipment Leasing Partnerships", Bharat Law House

SEBI Guidelines: Nabhi Publications

PAPER NO 402: FINANCIAL INSTRUMENTS AND MARKET

Objective: The objective of this paper is to introduce the students with the different aspects and components of Financial market in any financial system and particularly to Indian Financial System.

UNIT-I

Introduction to Financial Market, understanding financial market in India. Integration of Indian Financial Market with global financial market. Functions of Financial Sectors, Equilibrium in Financial Markets, Financial Development;.

Types of Financial Market- Money Market, Capital Market – Primary & secondary market, Forex Market, Debt Market- role and functions of this market;

Instruments of Financial Market: Call money market, T- Bills, Commercial bills, Commercial papers and Certificates of deposits, Government (Gilt- Edged) securities and Industrial securities

Banking system in India: Kinds of banking companies, commercial banks, development banks.

UNIT-II

Stock Markets- Trading mechanism, Major stock exchange: NSE, BSE, OTCEI, Stock market indices. Factors affecting stock market; analysis of market indices- SENSEX and NIFTY- components, calculation and revision, International Stock Exchange and its Operation: NYSE, NASDAQ, LSE, **Role of IT in Capital Market: (BOLT & NSE)**

Provident Funds, Pension Funds, Chit Funds: Objective and functions

Debt Market: Personal Loans, Car Loans, Home Loans etc.

UNIT-III

Mortgage market: Primary and secondary mortgage market, participants in mortgage markets, International trends in securitization

Derivative Securities markets: Forward, futures, options and financial Swaps market, trading mechanism, regulatory framework and pricing of the instruments.

Financial Intermediaries: Commercial Banks: Credit system for short-term developments in credit information system. Development Banks: Structure, Philosophy and Operations. Non Banking Financial Cos - types, role and function. Regulatory framework for NBFCs, Provident Funds, Pension Funds- objective and functions.. Real Assets: Land and house property, bullion, art and precious stones

UNIT-IV

Mutual Fund-concept, types and functioning, Limitations of MF

Overall comparative analysis of financial market in India & UK / China / Euro Zone / Japan / Brazil / Russia and South Africa

References:

1. LM Bhole; Financial Markets and Institutions: (TMH)
2. Anthony Saunders, Marcia Millon Cornett; Financial Markets and Institutions: (TMH)
3. Machhirajju; Indian Financial System: Vikas Publishing
4. P. N. Varshney; Banking Law & Practice: Sultan Chand & Sons.
5. S. N. Maheshwari; Banking Law & Practice: Kalyani Publications

PAPER NO 403: SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

The aim of this Paper is to provide a conceptual framework for analysis from an investor's perspective of maximizing return on investment

UNIT-I

- a. **Introduction:** Meaning, features and types of Investment, Investors and its types: Speculators, Investors and Gamblers. Different venues of investment, Need for investment analysis & portfolio management realized return vs expected return.
- b. **Risk-** Introduction, types-Systematic risk and unsystematic risk, measurement of risk – calculation of Mean deviation, Standard Deviation, Beta value- Ex-ante and Ex-post beta, Negative beta and its significance in investment decision.
- c. **Theories of interest rate risk-** Pure expectation theory, liquidity preference theory, preferred habitat theory.

Efficient market hypothesis: Concept of efficiency: Three forms of EMH and their tests- weak form- simulation, serial correlation, runs tests, filter tests, momentum and reversal effect; Semi strong form- regression and event studies; Strong form- insiders and mutual funds.

Valuation of Fixed Income Investments: Bonds and its types, Valuation of different types of Bonds, Yield- nominal yield, current yield, yield to maturity/put/call, realised yield. Bond theorem, Bond Duration Analysis, Yield curve-shape of yield curve (steep, flat, inverted), theories of yield curve

Valuation of Variable Income Securities: Shares valuation- dividend discounting model- constant dividend, constant growth in dividend and variable growth in dividend, Price earning approach, CAPM

UNIT-II

Fundamental analysis: Economy analysis: EIC analysis: Leading lagging & coincident indicators. Expected direction of movement of stock prices with macroeconomic variable in the Indian context- GDP growth rate, index of industrial production, fiscal deficit, price indices, savings & investment, Monsoon, Fiscal and monetary policies, expert opinions etc.

Industry analysis: different stages of industry life cycle, M. porter's five forces model, SWOT analysis and other relevant specific industry analysis.

Company analysis- both financial and non financial analysis

Technical analysis: Why technical analysis, difference of Fundamental and technical analysis, theories of technical analysis: Dow theory, Elliot wave theory, advances & declines, new highs and lows, circuit filter, Trends, patterns & indicators: Price charting- Line, bar, candle stick, point and figure charts. Trends- resistance, support, consolidation, Identification of patterns- head and shoulders, double / triple tops / bottoms, triangles, flags, pennants, gaps. Indicators: moving averages, RSI, RoC.

UNIT-III

Portfolio analysis: Introduction to portfolio management, efficient portfolio and efficient frontier. Markowitz diversification, Single Index Model, CAPM, Arbitrage pricing theory, Estimation of Portfolio beta, Separation of risks into systematic and unsystematic risk, calculation of portfolio risk and return, optimal portfolio selection- the Geometric mean model, the Safety first model, the Stochastic dominance model, alternative models.

UNIT-IV

Portfolio Revision: Need for revision, different techniques of revision- formula plan: constant dollar value plan, constant ratio plan, variable ratio plan; Modified formula plan: Dollar cost Averaging; practical problems in portfolio revision

Portfolio Evaluation: Need for evaluation, time horizon for portfolio evaluation, Measuring and evaluating portfolio performance: measurement of return, consideration of risk: Shrppe's, Treynor's and Jensen's measure, Eugene Fama's portfolio decomposition, Risk adjusted performance measures.

Portfolio Management: Equity portfolio management-Active Vs Passive management strategies, Bond portfolio management- Active Vs Passive management strategies, Immunization, Bond Swaps.

Readings:

1. Fisher & Jordan: Security analysis & portfolio management: PHI.
2. Dr. Prasanna Chandra; Investment Analysis and Portfolio Management (TMH)

Objective:

The Objective of the course is to provide hands on experience to students in using computers for data organization and addressing business needs.

Course Content

Unit I:

I. S. Fundamentals :Information System – Concepts (data, information, System Modeling) Functional components of computer; Information Resource Management - Hardware resource, Software resource, Data resource - Need, Components, Benefits over traditional file system, Classification & Types, Advantages, Disadvantages & Limitations of each., Network resource - Components, Classification & Type, Advantages, Disadvantages, Limitations of each, Computer Network Network, Peer to peer and client server network, Standard protocol, modem, Internet service provider, Internet today, log on to the internet, world wide web, web site, web page and hyperlink, web terminology, http, URL and domain name, browsing or surfing the web, search engines, internet telephony

Unit II

IS for Decision Making Purpose : Architecture, development and maintenance of Information Systems, Centralized Decentralized & Distributed Information Systems, Factors of success and failure, value and risk of IS; IT Strategy and Competitive Advantage- Maximizing value from IT investments , The information resource and the economics of the firm , IT-enabled business models , Obtaining competitive advantage from IT ; Integration and automation of business functions and developing business models.

Unit III

System Analysis and Design; Basic Introduction to Models and approaches

Unit IV

Information System at various level in the Organization Role and advantages of Transaction Processing System, Management Information System, Decision Making through Information System – Types of Decision Making , Decision Support System , Executive Information System ; Managing the internetworked organization - Designing, improving, and securing computer operations

Unit V

Recent trends in Information System: Introduction to Data warehouse and Data mining – Concepts, Data Warehousing life cycle, data warehousing architecture, data Modeling; Expert System and Artificial Intelligence, Robotics, Knowledge Management, ERP, CRM, SCM, Ecommerce – concepts, legal issues and security, EDI, Mobile Commerce

Reading:

1. Effy OZ, Management Information Systems, Thomson , Latest Edition , Cengage Publication.
2. James A. O' Brien, Management Information Systems, Latest Edition, Tata McGrawHill.
3. W.S Jawadekar, Management Information System, Latest Edition, Tata Mc-Graw Hill
4. Raj K. Wadwha, Jimmy Dawar, P.Bhaskara Rao, MIS and Corporate Communications, Latest edition. Kanishka Publishers.
5. Kenneth C. Landon, Jane P. Landon, MIS:- Managing the digital firm, Pearson Education.
6. Peter Norton's, Introduction to Computers, Tata McGraw-HILL
7. Bhatnagar, S.C. and Ramani, K.V., Computers and Information Management
8. Morley, Understanding Computers, 10/e Thomson, 2007.
9. Norton, Introduction to computers, 2007 Tata McGraw-Hill ,
10. Deepak Bharioke, Fundamentals of Information Technology, 3/e, 2005
11. V.Rajaraman, Introduction to Information Technology, PHI.
12. Efraim Turban, R. Kelly Rainer, Jr., Richard E. Potter, Introduction to Information Technology, Second Edition, Wiley India, 2006.

Paper No. 405: Computer Practical-IV

Introduction to Statistical Package – SPSS or SAS (or any other equivalent)

A Brief Introduction to SPSS: Introduction, Data Entry, The Data View Spreadsheet, The Variable View Spreadsheet, Storing and Retrieving Data Files, The Statistics Menus, Data File Handling, Generating New Variables, Running Statistical Procedures, Constructing Graphical Displays, The Output Viewer, The Chart Editor, Programming in SPSS

Data Description and Simple Inference for Continuous Data: Description of Data, Methods of Analysis., Analysis Using SPSS

Multiple Linear Regression: Description of Data, Multiple Linear Regression, Analysis Using SPSS, Analysis of Variance One-Way Designs; Description of Data, Analysis of Variance, Analysis Using SPSS. ANOVA Assumptions

Analysis of Repeated Measures II: Linear Mixed Effects

Models; Description of Data, Linear Mixed Effects Models, the Correlation Structure

Logistic Regression - Description of Data, Logistic Regression

Principal Component Analysis and Factor Analysis: Description of Data, Principal Component and Factor Analysis, Principal Component Analysis Factor Analysis, Factor Analysis and Principal Components Compared, Analysis Using SPSS

Classification: Cluster Analysis and Discriminate Function Analysis

Description of Data, Classification: Discrimination and Clustering

OR

SAS: Objective: This module will provide you with the basic SAS programming skills that may be necessary in the workplace. As SAS is a very powerful and complex language, this short course is only intended to provide you with an introduction to SAS, including elementary data management, statistical, analysis, and report creation.

Introduction: What is SAS?, Why use SAS?, Opening and closing SAS, The SAS windows, Running you code, The two parts to a SAS program, Libraries, Commenting your code, Looking for help, The DATA Step. Filenames, Inputting Files- Excel, CSV, Regular and Flat Text Files, Creating variables, Loops and arrays, The PUT statement, IF and WHERE subsetting, The DATA Step (Cont'd) and The PROC Step, Statistical Procedures- PROC UNIVARIATE, PROC FREQ, PROC REG, PROC ANOVA, PROC LOGISTIC, A note on other PROCS, PROC SORT and MERGE, By Group Processing, FIRST. and LAST, The PROC Step (Cont'd) and SAS/Macro, Macrovariables, CALL SYMPUT, Macros, Lecture 5: SAS/Graph. PROC GPLOT, SYMBOL, AXIS, Annotate, PROC REPORT and ODS, PROC REPORT, COLUMN, DEFINE. ODS OUTPUT to output, ODS OUTPUT to input

References:

1. Julie Pallant's - "SPSS Survival Manual": A Step by Step Guide to Data Analysis Using SPSS for windows
2. Matthew Zagumny - A Student Guide to the Statistical Package for the Social Sciences
3. Carver, Doing Data Analysis with SPSS 14.0, 3/e, Thomson, 2007
4. Coakes, SPSS 13.0 for Windows. Wiley-India, 2006.
5. George, SPSS for Windows Step by Step, 6/e, Pearson Education, 2006.
6. Arthur Griffin, SPSS for Dummies, Wiley-India, 2007.
7. The Little SAS Book: A Primer (4th Edition) by Delwiche and Slaughter
8. Applied Statistics and the SAS Programming Language (5th Edition) by Cody and Smith.
9. Output Delivery System: The Basics by Haworth
10. Carpenter's Complete Guide to the SAS Macro Language (2nd Edition) by Car-penter
11. Quick Results with SAS/GRAPH Software by Carpenter and Shipp

PAPER NO 501: BUSINESS ETHICS & CORPORATE GOVERNANCE

Objective: The objective of this paper is to make the students aware about the importance of ethics in the business, practices of good governance to encourage moral imagination and heightening sensitivity towards the ethical dimension of managerial problems.

UNIT-I

Business ethics: Introduction: Meaning of ethics, Types of business ethic issues, why ethical problems occur in business, Ethical dilemmas in business

Ethical principles in business: Utilitarianism: weighing social cost and benefits, Rights and duties Justice and fairness, The ethics of care, Integrating utility, rights, justice and caring, An alternative to moral principles: virtue ethics, Morality in international context

Ethical decision making-personal and professional moral development and moral reasoning

Computer ethics and business: Computer crime, Computers and corporate responsibility Property: information and software, Computer and privacy

Professional ethics: Ethics in international business

UNIT-II

Corporate governance: concept, Need to improve corporate governance standards, Features of good governance, Corporate governance abuses, Role played by regulators to improve corporate governance. Different Approaches to Corporate Governance, Leadership and Corporate Governance, Different models of Corporate Governance, Landmarks of Corporate Governance, Rights and Privileges of shareholders, Investor's Problem and protection, Corporate Governance and Other Stakeholders, Board of Directors, Role, Duties and Responsibilities of Auditor's, Bank and Corporate Governance, Business Ethics and Corporate Governance.

- International experience- UK scenario (Cadbury, Greenbury and Hampel committee; US scenario (Tread way commission, Blue ribbon committee, Sarbanes oxley act); OECD principles
- Indian experience- imperatives, CII code of best practices, Kumar Mangalam Birla, Naresh chandra, Narayan murthy committee report, Accounting standards and corporate governance

Corporate governance rating- need, importance, process, parameters

UNIT-III

Moral issues in business: Importance of moral issues and reasoning, Principles of moral reasoning, Quality of work life, implications of moral issues in different functional areas of business like finance, HR and marketing.

Whistle blowing: Kinds of whistle blowing, Blowing as morally prohibited, Whistle blowing as morally permitted, Whistle blowing as morally required, precluding the need for whistle blowing

Marketing truth and advertising: Marketing, Advertising, Truth and advertising, Manipulation and coercion, Allocation of moral responsibility in advertising

Trade secrets, corporate disclosure, insider trading: Trade secrets, corporate disclosure, insider trading

Accounting, finance, corporate takeovers: Accounting finance and banking, corporate restructuring and takeovers

Discrimination, affirmative action, and reverse discrimination: Equal employment opportunity, Affirmative action, Preferential hiring

Environmental protection: Safety and acceptable risk, Environmental harm, Pollution and it's control Product safety and corporate liability, strict liability

Corporate social responsibility: Meaning, Evolution of corporate social responsibility, Limits of corporate social responsibility. Voluntary responsibility Vs. Legal requirements, Profit maximization vs. social responsibility

Socially Responsive Management: Strategies of response, formulating socially responsive strategies
Implementing social responsiveness, making a social strategy work, Conceptual framework of social responsibilities of business, SWOT analysis for evaluating organizational framework for discharging social responsibility. Financial incentives for social responsibility, Role of self regulation in discharge of social responsibility.

Text Books:

A.C. Fernando-Business Ethics, Prentice Hall, Latest Edition.

Andrew Crane and Dark Matter- Business Ethics,Oxford Publications.

Adrain Davies – Best Practices in Corporate Governance (Gower),Latest Edition.

A.C. Fernando – Corporate Governance –Principles , Policies, and Practices (Pearson Education).

Reference Books:

M.Jennings-Business Ethics , Latest Edition.

Hartman-Business Ethics,Latest Edition.

Mannuel G.Velasquez-Business Ethics-Concepts and Cases.

Corporate Governance – Solomon Wiley Student Edition.

Christine and Mallin-Corporate Governance,Oxford Publication

Bob Tricker-Corporate Governance,Oxford Publication.

Harvard Business School Press- Harvard Business Review on Corporate Governance,2000

Lynn Sharp Paine,Cases in Leadership, Ethics and Organizational Integrity- A strategic Perspective,2000.

Economic India, Reports on Corporate Governance, Academic Foundation, 2004.

Indrajit Dube- Corporate Governance,LexisNexis Butterworths Wadhwa,2009

Fredrick , Lawrence and Williams- Society and Business

K.M. Mittal - Social Responsibility of Business

Tom MC Evans - Managing Values and Beliefs in Organization

Luthans Hodgett and Thompson - Social Issues in Business

Adrian Davies -Strategic Approach to Corporate Governance

N. Gopalsamy - Corporate Governance a new paradigm

N.Balasubramaniam - Corporate Board and Governance

PAPER NO 502: CORPORATE RESTRUCTURING & MERCHANT BANKING

Objective: The objective of this paper is to know the different aspects of mergers and acquisition and the detailed SEBI guidelines on merchant banking and issue management.

UNIT-I

Merchant Banking: Introduction, evolution of merchant banking, Types of Merchant Bankers, Activities undertaken by different types of merchant bankers, Legal framework for Merchant Bankers, SEBI guidelines for Merchant Bankers, Registration, obligations and responsibilities of Lead Managers, Regulations regarding Continuance of association of lead manager with an issue

UNIT-II

Issue Management: Public Issue: classification of companies, eligibility, issue pricing, promoter's contribution, minimum public offer, prospectus, allotment, preferential allotment, private placement, Book Building process, designing and pricing, marketing and post marketing work; Right Issue: promoter's contribution, minimum subscription, advertisements, contents of offer document, Bought out Deals, Pricing of issue of equity shares, Preparing for Public & Right Issues, Issue Marketing, Post issue work & obligations, Investor protection, Broker, sub broker and underwriters

UNIT-III

Merger, Acquisitions & Takeovers: An overview, Forms of corporate restructuring, corporate control, historical perspective of mergers- waves of merger Reasons for merger, Steps involved in merger and amalgamation, Scheme of merger/amalgamation, Approval from various authorities, Sources of value in a merger, Accounting & legal aspects of hostile and friendly takeovers, Provisions of Companies Act 1956, Substantial acquisition of securities. Requirements of takeover offer, SEBI rules on Acquisition of Shares and Takeovers,

Downsizing of the organization: Sell off and Divestures- spin off, split off, split up, Equity carve outs- explanation and rationale, voluntary liquidations, analysis and valuation of Sell offs, Govt. divestment plan for PSUs:

UNIT-IV

Anti-takeover strategies: Defense mechanisms available to target company like White knight, Gray knight, white squire, poison put, poison pill, golden parachute, crown jewels, green mail, black mail, share buy back, going private, packman strategy, stand still agreement etc. critical evaluation of different anti takeover strategies with reference to current happenings.

Other corporate strategies: Joint ventures strategic alliance, ESOPs, LBOs, MBOs, MLPs, Splitting of share's face value. Evaluation of Post merger analysis for success/failure, testing of synergies achieved.

Suggested Readings :

Machhirajju; Merchant Banking; Vikas Publishing

J Fred Westron, Kwong Shung & Susan E; Hoag Mergers Restructuring and Corporate Control: -(PHI)

S. Shiva Ramu; Corporate Growth through mergers and acquisitions: Response Books.

Latest SEBI Guideline Disclosure and Investors protection (DIP)

PAPER NO 503: DIRECT TAXATION

Objective – The objective of this course is to acquaint students with the direct tax structure and its implications of tax planning for individuals.

UNIT-I

Basic concepts: Income, Agricultural income, person, assess, assessment year, previous year, gross total income, total income, maximum marginal rate of tax.

Residential status of an individual, scope of total income on the basis of residential status, Exempted income under section 10.

UNIT-II

Computation of income under different heads

Salaries, Income from house property, Profits and gains of business or profession, Capital gain, Income from other sources.

UNIT-III

Clubbing of income, set-off and carry forward of losses, Deductions under section 80 computation of total income and tax liability of individuals.

UNIT-IV

Preparation of return of income manually, through software

References :

1. Vinod k.Singhania and Monica Singhania; Students guide to Income tax, Taxmann Publications.
2. Vinod k.Singhania and Kapil Singhania; Tax computation on CD: Taxmann Publications.
3. Girish Ahuja and Ravi Gupta; Systematic Approach to Income Tax: Bharat Law House.
4. Mahesh Chandra, S.P Goyal and D.C Shukla; Income Tax and Law practice:, Pragati Prakashan.

PAPER NO 504: INTERNATIONAL FINANCE

Objective: The objective of this paper is to equip the students with the techniques that can help them in managing the financial issues in international environment. This course will help them to manage MNCs in more effective manner.

UNIT-I

Introduction: concept of International trade, International Business, International Finance and differences among them. Theories of International trade, International trade financing in India, Balance of payments (of India)

International Monetary System: Different types of Exchange rate mechanisms- the gold standard, the gold exchange standard, The Bretton Woods System, Current monetary system, European Monetary Union. IMF and World Bank.

UNIT-II

Foreign Exchange Management: Forex market – Wholesale and Domestic market, Quotations- direct, indirect and cross currency; various kinds of transactions and their settlement dates, forward rates, Swaps, Quotes for various kinds of Merchant transactions; Early delivery, extension or cancellation of Forward contracts

Exchange Rate determination and Forecasting: Purchasing power parity and Interest rate parity, relationship between PPP and IRP, reasons for deviation from PPP and IRP; models of exchange rate forecasting- forward rate as an unbiased predictor, the Demand-Supply approach, the monetary approach, the Asset approach, the portfolio balance approach, other models

UNIT-III

Foreign Exchange Exposures: Financial Accounting and Foreign Exchange- Alternative Currency Translation Methods, Statement of Financial Accounting, Standards No.8, Statement of Financial Accounting Standards No.-52, Transaction Exposure, Managing Accounting Exposure- Managing Transaction and Translation Exposure, Designing a Hedging Strategy, Measuring and managing Economic Exposure- Foreign Exchange Risk and Economic Exposure, Identifying Economic Exposure, Calculating Economic Exposure, Operational Measure of Exchange Risk.

Multinational Financial System- Value of the Multinational Financial System, Inter-company Fund- Flow Mechanisms: Cost and Benefits, Designing a Global Remittance Policy, Transfer Pricing and Tax Evasion. Issue of GDR, ADR Euro bonds and Foreign bonds.

UNIT-IV

International Investment Management: International Portfolio Investment- Issues in Foreign Investment Analysis, International Bond Investing, Strategies for Direct Investment, Bond Investment & Portfolio Investment, Optional International Asset Allocation. International project appraisal- IRR and APV methods; Managing Political Risk- Measuring Political Risk, Country Risk Analysis, Managing Political Risk, Post-expropriation Policies.

Multinational Working Capital Management: Current Asset Management for the Multinational- International Cash Management, Accounts Receivables Management, Inventory Management.

Readings:

1. PG Apte; International Finance, Tata Mcgraw Hill.
2. Alan C. Shapiro; Multinational Financial Management- Prentice Hall
3. Maurice D. Levi; International Finance- The Markets and Financial Management of Multinational Business- Mcgraw Hill.
4. A. V. Rajwade; Foreign Exchange, International Finance and Risk Management- Academy of Business Studies.

Paper No. 505: Computer Practical-V

Project Management Tool

MPP – Microsoft Project Planning (or any other equivalent package)(The objective is to understand the student how to manage Projects effectively using MSP Professional, how to List and Organize Tasks, how to Create and modify calendars. resource listing and assigning resources, how to baseline project, update progress information , the impact of scope, time, and cost changes , Effective communication of updated Project information)

Introduction to Project and Project Management, Introduction to Microsoft Project Professional 2007, Defining Tasks, Defining Resources, Resource Assignment, Base lining, Updating Progress Information, Formatting Project Details, Views and Reports, Customization, Interface with Other Office Applications, Working with Multiple Projects, Sharing Resources across Projects

MS VISIO as a tool for Activity Diagram or any other equivalent

Business Intelligence Tools such as Informatics or any other equivalent - Designer , Workflow manager, Advanced features, Cognos – Architecture, Framework Manager , Metadata Modelling, Package Development , Package Import & Export , Query Studio , Report Studio -Basics, Report Studio - Advanced

PAPER NO 601: CORPORATE TAXATION

Objective – The objective of this course is to acquaint students with the implications of corporate tax structure and corporate profit planning in operational as well as strategic terms.

UNIT-I

Tax planning, tax management, tax evasion, tax avoidance, Corporate tax in India, types of companies, residential status of companies and tax incidences, tax liability and minimum alternative tax, tax on distributed profits.

UNIT-II

Tax planning with reference to setting up a new business: Locational aspect, nature of business, form of business (firm v/s company).

Tax planning with reference to financial management decision – capital structure, dividend including deemed dividend and bonus shares.

UNIT-III

Tax planning with reference to specific management decisions – Make or buy, own or lease, repair or replace. Tax planning with reference to employees' remuneration

UNIT-IV

Special provision relating to non-residents, double taxation relief, amalgamation and demerger of companies, Assessment procedure

References :

1. Vinod K.Singhania, Kapil Singhania and Monica Singhania; Direct tax planning and management: Taxmann Publications.
2. Ahuja, Girish and Ravi Gupta; Corporate tax planning and management: Bharat law House
3. S.P Goyal; Direct tax planning: Sahitya Bhawan

PAPER NO 602: MANAGEMENT OF FINANCIAL INSTITUTIONS

Objective: This Paper enables the students to understand the tools and techniques of management of banks and financial institutions.

UNIT-I

Structure of Indian Financial System: An overview of the Indian financial system, financial sector reforms : context, need and objectives; major reforms in the last decade; competition; deregulation; capital requirements: issues in financial reforms and restructuring; future agenda of reforms.

Regulation of Banks & FIs: Salient provisions of banking regulation act and RBI Act; Banking law & regulations; role of RBI as a central banker; Development Banks: role of development banking; relevance of development banks in economic growth. Sources and Uses of funds in Banks & FIs: Characteristics and salient features of various sources and uses of funds. Products offered by Banks and FIs: Retail banking and corporate banking products; relationship banking. Universal Banking: need, importance, trends and RBI guidelines, Core banking solution (CBS); RTGS and internet banking (introduction only)

UNIT-II

Analyzing Bank Performance: The balance sheet; income statement; profitability, liquidity and solvency analysis:

Asset Liability Management: RBI guidelines on asset liability management; liquidity risk, liquidity management; setting up prudential limits; interest rate risk, ALM vis a vis profitability; factors affecting interest rates; structure of interest rates; gap analysis.

UNIT-III

Investment & Funds Management: Flow of fund analysis of the borrowing & lending behavior of FIs; valuation of investments; SLR & CRR management.

Risk Management in banks: RBI guidelines on credit risk management; credit policy, credit process, characteristics of different types of loans; assessing credit risk, credit risk rating and credit pricing; exposure norms; parameters of financing by banks & FIs.

Management Control in Banks: Operational risk management; inspection & control; concurrent audit; revenue audit; stock audit; systems and procedures; prevention and detection of frauds.

Capital Adequacy: Capital adequacy norms; Basle agreement-I & II; effect of capital requirements on bank operating policies; new capital adequacy framework; capital for credit risk and market risk.

UNIT-IV

Management of non performing loans: Classification of assets; income recognition and provisioning norms; reasons for NPAs; preventive and corrective steps; recovery management policy, compromise and settlements.

Insurance companies: Economics of insurance, life insurance, general insurance, reinsurance; insurance Sector Reforms; liberalization of insurance sector; entry norms for insurance sector; investment management policies; exposure norms.

Readings:

1. LM Bhole; Financial institutions & markets: Structure, growth & innovations –TMH, latest edition (5th Ed or higher)
2. Jeff Madura; Financial institutions & market: Cengage Learning
3. Anthony Sanders, Marica Millon Cornett; Financial markets & institutions: A modern perspective –TMIT (200 Ed)

PAPER NO 603: STRATEGIC CORPORATE FINANCE

Objective: The objective of this paper is to know the details of corporate finance and the strategies involved in the corporate decisions. It will enable the students to steer the corporate in better manner.

UNIT-I

Introduction to strategic corporate finance: Strategy Vs Planning, significance of strategy in financial decisions, Different types of financial strategy for Shareholders Wealth Maximization, overall corporate value addition and Economic Value Addition.

Strategic Cost Management: Traditional costing Vs Strategic Costing, Relevant costs Vs Irrelevant costs, Different types of strategic costing and their relevance- Target Costing, Activity based Costing, Life Cycle Costing, Quality Costing, Zero Based Budgeting, Strategic cost reduction techniques and value chain analysis.

Alternative sources of financing – alternative sources of financing, Different approach to infrastructure projects financing- Public Private Partnership (PPP) and its relevance.

UNIT-II

Management Buy-outs: Establishing feasibility of the buy-out, Negotiating the main terms of the transaction with the vendor including price and structure, Developing the business plan and financial forecasts in conjunction with the buy-out team for submission to potential funders, negotiations with potential funders so that the most appropriate funding offers are selected.

Management Buy-ins: Management Buy-in/Buy-outs (“BIMBOs”), Vendor-initiated buy-outs/buy-ins.

Valuing Real assets in the presence of risk: tracking portfolios and Real Asset valuation, Different Approaches of Valuing Real Assets, Capital Budgeting and Strategic policy

Real options: Financial and real options compared, various types of real options, the Black-Scholes model, Decision tree analysis, application of Real options, Drawbacks of Real options

UNIT-III

Financial Distress and restructuring: Meaning of Bankruptcy, Factors leading to bankruptcy, symptoms and predictions of bankruptcy, reorganization of distressed firms, liquidation of firms.

Company disposals: retirement sale or the sale of a non-core subsidiary, planned exit, forceful retirement and other disposals. Exit strategy- most appropriate exit route, valuation, timing of sale and tax planning opportunities, identification of potential purchasers, approaching the potential purchaser, negotiate with potential acquirers and selection of a preferred purchaser, calculation of the various tax implications.

Fundraising: identification of different sources of development capital, determination of capital structure and factors affecting the capital structure, cost of capital and cost saving strategy, production of a business plan and financial forecasts to enable potential funders to assess the proposition.

Due Diligence: financial due diligence for both purchasers and financial institutions, good quality “added value” due diligence advice.

UNIT-IV

Company Valuation: an overview of valuation, valuation principles and practices more, the impact of "what if" scenarios, the key financial and commercial factors affecting the business. Value enhancement tools & techniques, the link between valuation and corporate finance

Other strategic issues: managing credit ratings, and setting dividend and share repurchase policy, problem of too much cash. The issues of stock liquidity and illiquidity, Strategic risk management, the substitutability of capital structure and risk management choices, such as process control efforts, financial, physical. and operational hedging, value-based management.

References:

Aswath Damodaran: Corporate finance theory and practice; John Willey & Sons, Inc
Jakhotia: Strategic Financial Management (Vikas Publication)

PAPER NO. 604: FINANCIAL DERIVATIVES

Objective: The objective of this paper is to equip the students with all kinds of financial derivative tools and the strategies possible. The paper also deals with the pricing of the different derivatives product.

UNIT-I

Introduction: History of derivatives, origin of derivatives in India, the classification of derivatives, the important features of derivatives.

Forward contracts, settlement dates conventions including broker dates: Concepts, early delivery, extension & cancellation of forward contracts.

Mechanics of futures markets: Closing out positions, specifications of futures contracts, convergence, margins, delivery, trading, difference between forwards & futures.

Determination of futures prices: of stock index futures, currency futures, community futures, cost of carry, delivery options.

Hedging strategies using futures: Basis risk, why hedge? Hedge ratio, index futures, rolling the hedge forward.

Interest rate futures: T-Bill & T. Note futures, T-Bond & Eurodollar futures, duration, hedging strategies.

UNIT-II

Mechanics of options markets: Types, positions, spreads, trading, commissions, margins, warrants, convertibles, OTC markets, underlying assets, options on futures.

Properties of options: Factors affecting option prices, upper bounds, lower bounds, early exercise, put & call parity, effect of dividend on stock options.

Trading strategies involving options: Spreads, combinations, payoffs; black-scholes option model; binomial model; options on stock indices.

UNIT-III

Pricing of Options: Binomial & black scholes for stock options, index options, currency options & options on futures.

Hedging positions in options & creation of options synthetically: Naked & covered position, options given by financial institutions, Stop loss strategy portfolio insurance.

Interest rate options: Embedded bond options, swaptions & interest rate caps.

UNIT-IV

Exotic options: Types of exotic options, barrier options, look back options.

Wiener Processes and Ito's Lemma: the Markov property, Continuous-time stochastic processes, the process for stock price, the parameters, Ito's Lemma, the lognormal property.

The Greek Letters: Delta hedging, Theta, Gamma, Relationship between delta, theta and gamma, Vega, Rho, scenario analysis, portfolio insurance, stock market volatility.

Swaps: Interest rate swap, currency swaps & cross currency swaps.

References:

John C Hull, Prentice Hall; Options, futures & other derivatives: Prentice hall.

Real Options: Tom Copeland & Vladinur Antikarov, Texere Publishing.

Kidwell, Peterson, Blackwell; Financial Institutions, Markets & Money;