

RESTRUCTURED CURRICULUM 2014

MASTER IN COMMERCE (M.COM)

WITH ACCOUNTING AND FINANCE SPECIALIZATION, 2014

Semester	Duration	Total Marks	Total Credit	Exam. Month
I	July - December	350	21	December
II	January - June	350	21	June
III	July - December	300	23	December
IV	January - June	400	23	June
Co-curricular activities (soft skills development and industry internship)			2	
Total		1400	90	

Semester 1

Code	Paper Name	Marks	Credit Hours	Credit
ORBM 4101	Organizational Behaviour	50	45	3
BMSM 4101	Basic Mathematics and Statistics	50	45	3
MAEM 4101	Managerial Economics	50	45	3
MCEM 4101	Macro Economics	50	45	3
OPRM 4101	Operations Research	50	45	3
EVGGM 4101	Ethics, Values and Governance	50	45	3
ISMM 4101	Information System Management (Theory+ Practical)	50	45	3
Total		350		21

Semester 2

Code	Paper Name	Marks	Credit Hours	Credit
SHRM 4201	Strategic Management & Human Resource Management	50	45	3
STBM 4201	Statistics for Business Decision	50	45	3
EEBM 4201	Economic Environment of Indian Business	50	45	3
MAMM 4201	Marketing Management	50	45	3
FIMM 4201	Financial Management	50	45	3
SCMM 4201	Strategic Cost & Management Accounting	50	45	3
ECAM 4201	E-Commerce Application (Theory+ Practical)	50	45	3
Total		350		21

Semester 3 (Specialization Papers) Accounting and Finance

Code	Paper Name	Marks	Credit Hours	Credit
IRMM 4301	Introduction to Research Methodology including SPSS package	50	45	3
SAPM 4301	Securities Analysis and Portfolio Management	50	60	4
AUAM 4301	Auditing and Assurance	50	60	4
CFAM 4301	Corporate Financial Accounting, Reporting and Analysis	50	60	4
FIMM 4301	Financial Institutions & Markets	50	60	4
SFMM 4301	Strategic Financial Management	50	60	4
	Total	300		23

Semester 4 (Specialization Papers) Accounting and Finance

Code	Paper Name	Marks	Credit Hours	Credit
DRMM 4401	Derivatives & Risk Management	50	60	4
IFIM 4401	International Finance	50	60	4
TBDM 4401	Taxation for Business Decision Making	50	60	4
AFDM 4451	Dissertation including viva	100	90	6
AFSM 4452	Seminar Presentation	100	45	3
AFVM 4453	Comprehensive viva-voce	50		2
	Total	400		23

SEMESTER I

CODE: ORBM 4101

ORGANISATIONAL BEHAVIOUR

- 1. Introduction to Organizational Behaviour (OB):** Evolution of OB as a Discipline – OB: Challenges and Opportunities – Developing an OB model
[3 hours]
- 2. The Individual in the Organization:** Foundations of Individual Behaviour – Individual Decision-making
[10 hours]
- 3. The Group:** Foundations of Group Behaviour – Group Decision-Making -- Understanding Work Teams – Creating Effective Teams
[5 hours]
- 4. Communication:** Interpersonal Communication-- Organizational Communication – Barriers to Effective Communication
[3 hours]
- 5. Basic concepts of Motivation:** Early theories - Contemporary Theories
[2 hours]
- 6. Leadership:** Early Theories – Contemporary Theories
[2 hours]
- 7. Power and Politics:** Bases of Power – Organizational Politics – Conflicts and Negotiation
[3 hours]
- 8. Organizational Dynamics:** Organizational Culture – Varying Culture of Different Nations- Organizational Change – Management of Work-related Stress
[5 hours]
- 9. Case Studies**

Suggested Readings:

1. Aquinas, P. G. *Organizational Behaviour*. Excel Books.
2. Hersey, Blanchard, & Johnson. *Management of Organizational Behavior: Utilizing Human Resources*. Prentice Hall.
3. Luthans, F. *Organizational Behavior*. McGraw Hill.
4. Pareek, U. *Understanding Organizational Behaviour*. Oxford University Press.
5. Robbins, S. P. *Organizational Behavior*. Prentice Hall.

CODE: BMSM 4101
BASIC MATHEMATICS AND STATISTICS

- 1. Calculus:** An overview of differentiation and integration- Basic rules and formulae; Illustrations.
[3 hours]
- 2. Application of Calculus:** Maxima and Minima. Definite Integral -Important properties; Area of the curve; Illustrations.
[5 hours]
- 3. An Overview of Descriptive Statistics:** Central tendency, dispersion, moments, skewness and kurtosis - Basic ideas - definitions, formulae and illustrations with numerical problems.
[5 hours]
- 4. Simple Correlation and Regression:** Scatter diagram; Bivariate frequency distribution; Simple correlation; Simple linear regression; Rank correlation.
[5 hours]
- 5. Probability Theory:** Introduction to set theory, Permutation and Combination; Different definitions of probability; Total probability theorem; Conditional probability; Compound probability; Independent events; Bayes' theorem on conditional probability; Numerical problems.
[7 hours]
- 6. Random Variable and Probability Distributions:** Random variable; Probability functions; Expectation and Variance of a random variable; Moments, skewness and kurtosis; Joint distribution of two random variables (discrete).
[3 hours]
- 7. Time Series Analysis** - Components of time series; Additive and multiplicative models; Determination of trend component (linear, quadratic and exponential trend equations); Computation of seasonal indices;
[5 hours]

Suggested Readings:

1. Allen, R. G. *Mathematical Analysis for Economists*. Macmillan.

2. Baruah, S. *Basic Mathematics and its Application in Economics*. Macmillan.
3. Beri, G. C. *Business Statistics*. Tata McGraw Hill.
4. Bhardwaj, R. S. *Mathematics for Economics and Business*, R. S. . Excel Books.
5. Budnick, F. S. *Mathematics for Business, Economics and Social Science*. Tata McGraw Hill.
6. Das, J. K. *Statistics for Business Decisions*. Academic Publishers.
7. Das, N. G., & Das, J. K. *Business Mathematics and Statistics*. Tata McGraw Hill.
8. Gupta, S. C. *Fundamentals of Statistics*. Himalaya Publishing House.
9. Levin, R. I., & Rubin, D. S. *Statistics for Management*. Prentice Hall.
10. Raghavachari, M. *Mathematics for Management* . Tata McGraw-Hill.

CODE: MAEM 4101

MANAGERIAL ECONOMICS

1. **Economic Concepts:** Costs – Demand and revenues – Price, Cross and income elasticity of demand – Pricing and output decisions.

[4 hours]

2. **Horizontal and Vertical Boundaries of the Firm.**

Definition of economies of scale and scope – Sources of scale economics and diseconomies in production – Non-production sources of economics of scale and scope – The learning curve.

Make vs. buy decision – Vertical chain of production – Reasons for outsourcing: Benefits and costs of using the market.

[10 hours]

3. **Market and Competitive Analysis**

Competition identification and market definition – Measures of market structure – Different form of market: structural features and price – output decision – Oligopoly: Cournot of quantity competition; Bertrand price competition; Games in matrix form and Nash equilibrium, Price and non-price competition, cartel cheating and cooperation.

[10 hours]

4. Microeconomics of Innovation

Innovation and the growth process in free- market economics – Innovation versus price as the prime competitive weapon – optimal level of spending on innovation – Technology sharing – A kinked revenue curve model of spending on innovation. Growth-creating properties of innovation - Innovation as a positive externality – Effects of process innovation and product innovation on output and prices

[5 hours]

5. Markets with Asymmetric Information.

Quality uncertainty and the market for lemon- Insurance market and adverse selection - Market signalling- The problem of Moral hazard

[4 hours]

Suggested Readings:

1. Baumol, W. J., & Blinder, A. S. *Microeconomics*. South - Western: Thomson.
2. Besanko, D., Dranove, D., & Stanley, M. *Economics of Strategy* (2nd ed.). John Wiley and Sons Inc.
3. Perloff, J. M. *Microeconomics* (2nd ed.). Pearson Education.
4. Salvator, D. *Principles of Microeconomics*. Oxford University Press.

CODE: MCEM 4101

MACRO ECONOMICS

1. Saving, Investment and the Financial System

Full-employment output and its determinants - output market equilibrium- Saving-Investment equilibrium (loanable funds interpretation) - comparative static analysis in loanable funds market - saving and investment in a small open economy-Fiscal deficit and current account deficit in balance of payments-Comparative static analysis.

[8 hours]

2. Money and Prices

Money supply and its components-Nominal and real interest rate- Money demand Function- Money market equilibrium- Inflation and interest rate- Money growth and inflation-Inflation expectations and its feedback effect on current inflation.

[6 hours]

3. Money market and the aggregate demand for output

Full-employment output with reference to real interest rate- loanable funds model and the derivation of the IS curve: Shifters of the IS curve: changes in government spending, taxes, productivity, inflation expectation, etc. Money market equilibrium and the derivation of the LM curve – Shifters of the LM curve – Determination of aggregate demand for output with IS and LM curves: Analysis of business cycles in the fixed price IS – LM model – countercyclical fiscal and monetary policy – Flexible price IS – LM model and self-correcting demand adjustment.

[12 hours]

4. Inflation and unemployment

Nature of aggregate supply curve in the presence of money wage rigidity – Derivation of Phillips curve from the aggregate supply curve – Application of Phillips curve to explain demand – pull, cost- push and expectational inflation – Disinflation and sacrifice ratio – painless disinflation

[7 hours]

Suggested Readings:

1. Abel, A. D., & Bernanke, B. *Macroeconomics*. Pearson Education.
2. D'Souza, E. *Macroeconomics*. Pearson Education.
3. Evans, M. K. *Macroeconomics for Managers*. Blackwell Publishing. (For case studies)
4. Mankiw, N. G. *Macroeconomics*. Worth Publishers.

CODE: OPRM 4101
OPERATIONS RESEARCH

1. Linear Programming Problem: Linear programming problem formulation; Graphical solution; Simplex method; Duality; Dual simplex method.

[6 hours]

2. Transportation Problem: Concepts; Initial solutions and optimality test for different types of transportation problems; Trans-shipment problem.

[4 hours]

3. Assignment Problem: Concepts; Solutions to different types of assignment problems; Travelling salesman problem.

[5 hours]

4. Decision and Game Theory: Decision under uncertainty; Decision under risk; Game theory; Two person zero sum game; Pure and mixed strategy games.

[6 hours]

5. Network Analysis: Net work diagram; Time estimate for activity; Programme evaluation and review technique; Critical path method; Network crashing.

[6 hours]

6. Simulation Models: Concept, Process of Simulation; Formulation and solution technique; Monte-Carlo simulation; Applications to business problem. Application to inventory problem.

[6 hours]

Suggested Readings:

1. Anderson, D. R., Sweeny, D. J., & Williams, T. *An Introduction to Management Science*. Thompson South-Western.
2. Gupta, P. K., & Hira, D. S. *Problems in Operations Research*. S Chand & Co.
3. Kapoor, V. K. *Operations Research*. Sultan Chand and Sons.
4. Kasana, H. S., & Kumar, K. D. *Introduction to Operations Research: Theory and Applications*. Springer.

5. Mustafi, C. K. *Operations Research : Methods and Practice*. New Age International Ltd.
6. Natarajan, A. M., Balasubramani, P., & Tamilaras. *Operations Research*. Pearson Education.
7. Sharma, J. K. *Operations Research: Theory and Methods*. Macmillan.
8. Srivastava, U. K., Shenoy, G. V., & Sharma, S. *Quantitative Techniques for Managerial Decisions*. New Age International.
9. Taha, H. *Operation Research*. Prentice Hall.
10. Vohra, N. D. *Quantitative Techniques in Management*. Tata Mcgraw Hill.

CODE: EVGM 4101

ETHICS, VALUES AND GOVERNANCE

- 1. Business Ethics** - Concept, Nature, and Scope; Need and Importance, Ethical theories and approaches - The Teleological approach and the Deontological approach. Universalism Vs Ethical relativism, Ethical principles in business
[4 hour]
- 2. Ethics and Morality**, Ethical dilemma, Resolving ethical dilemma, Ethical decision making
[3 hour]
- 3. Values** - Concept & Relevance in Business, Types of values, Values & ethical behaviour
[3 hour]
- 4. Application of Ethics in Functional areas of business** - Marketing, Finance, HR, Information Technology
[5 hour]
- 5. Corporate Social Responsibility (CSR)** - Concept, Corporations and their social responsibilities, CSR and strategy, Shareholder theory of the firm, Voluntary guidelines, Regulatory mandates for CSR
[5 hour]
- 6. Corporate Governance** - Concept, Definition, Corporations and their characteristics, Theories and models of corporate governance
[5 hour]

7. Codes of Corporate Governance - various Committee Reports - Global and Indian - Basic features and emphasis areas

[5 hour]

8. Regulatory framework of Corporate Governance – Latest Companies Act and Clause 49 of Listing Agreement

[3 hour]

Suggested Readings:

1. *Business Ethics and Corporate Governance*. ICFAI Center for Management Research, Hyderabad.
2. Chakraborty, S. K. *Values and Ethics for Organizations*. Oxford India Press.
3. Crane, A., & Matten, D. *Business Ethics*. Oxford University Press.
4. Petrick, J., & Quinn, J. *Management Ethics: Integrity at Work*. Response Books.
5. Reed, D., & Mukherjee, S. *Corporate Governance, Reforms and Development*. Oxford University Press.
6. Velasquez, M. G. *Business Ethics: Concepts and Cases*. Prentice Hall of India.

CODE: ISMM 4101

INFORMATION SYSTEM MANAGEMENT

(Theory)

Total Marks: 25

Duration: 20 Hours

1. Intelligent Information System

[4 hours]

Artificial Intelligence – concept. Artificial Intelligence methods for business: expert system and artificial neural network. Business Intelligence (BI) – basic idea, role of Business Intelligence: marketing, human resource, finance and accounting.

2. Cloud Computing

[3 hours]

Basic Idea, Types of cloud - public, private and hybrid; Cloud Services, Security issues in cloud computing.

3. Data Base Management System

[7 hours]

Significance of query language, SQL - DDL, DCL, DML, TCL and PL/SQL - Triggers, Functions, Procedures, Packages and Anonymous Blocks. Backup and Recovery. Basic idea of Data Warehouse and Data mining.

3. Enterprise Information System

[6 hours]

Concept. Relevance in different domains. ERP Modules and Functions. Implementation of ERP and challenges.

INFORMATION SYSTEM MANAGEMENT

(Practical)

Total Marks: 25

Duration: 25 HOURS

- 1. Advanced level Electronic spreadsheet features (by using Excel) including what-if analysis and macro. [8 hours]**
- 2. SQL and basic PL/SQL. [12 hours]**
- 3. Project Presentation. [5 hours]**

Suggested Readings:

1. Barbara, C., McNurlin, & Ralph H, S. *Information Systems Management in Practice*. Pearson.
2. Brien, J. O. *An Introduction to Information System*. McGraw-Hill.
3. Jaiswal, M., & Mital, M. *Management Information Systems*. Oxford University Press.

SEMESTER II

CODE: SHRM 4201

STRATEGIC MANAGEMENT & HUMAN RESOURCE MANAGEMENT

MODULE I

- 1) **Introduction:** Defining Strategic Management, Implications, Stages, Strategic Vision, Mission, Goals, Objectives, Strategic Management Model

[3 hours]
- 2) **Analysis and Diagnosis:** Environmental Scanning, Internal Analysis and External Analysis (SWOT, ETOP, SAP, GAP)

[3 hours]
- 3) **Strategic Options:** Types of Strategies, Levels of Strategies, Integration, Diversification Strategies, Defensive Strategies, Combination Strategies

[3 hours]
- 4) **Choice of a Strategy:** Factors affecting Strategic Choice, Michael Porter's Generic Strategies, Value Chain Analysis, BCG Matrix

[3 hours]
- 5) **Strategy Formulation and Implementation:** Resource Allocation, Structure and Strategy

[2 hours]
- 6) **Strategy Review, Control and Evaluation:** Criteria for Evaluation and Control, Process of Evaluating Strategies, Balanced Score Card, Quality Management.

[2 hours]

Suggested Readings:

- 1) David, *Strategic Management*, Prentice Hall
- 2) Jauch & Gleuck, *Strategic Management*, Tata-McGraw Hill
- 3) Ashwathappa, *Business Environment for Strategic Management*, Himalaya Publishing
- 4) Johnson & Scholes, *Exploring Corporate Strategy*, Prentice Hall
- 5) Cherunilam, *Strategic Management*, Himalaya Publishing

HUMAN RESOURCE MANAGEMENT

MODULE II

- 1. Introduction to Human Resource Management (HRM):** Scope of HRM--Strategic Role of HRM –Strategic need for Human Resource Planning --Strategic HR Challenges in a globalised world
[3 hours]
- 2. Recruitment and Placement:** Job Analysis--Job Description --Job specification – Recruitment—Selection—Placement---Orientation Process
[3 hours]
- 3. Training and Development:** Strategic context of Training – Management Development
[3 hours]
- 4. Performance Management:** basic concepts—Traditional and Modern methods of Performance Appraisal – Managing Promotion and Transfer— Managing Succession
[4 hours]
- 5. HRM Practices in Indian Industries** – Industrial Relations – Collective Bargaining – Role of Trade Unions –Changing Dynamics for HR Managers in India—Workers’ Participation in Management
[3 hours]

Suggested Readings:

1. Dessler and Varkkey, *Human Resource Management*, Pearson
2. Rao, *Human Resource Management – Text and Cases*, Excel Books
3. Snell, Bohlander and Vohra, *Human Resource Management: A South-Asian Perspective*, Cengage Learning

CODE: STBM 4201

STATISTICS FOR BUSINESS DECISIONS

- 1. Theoretical Distributions:** Uniform, Binomial, Poisson; Rectangular, Normal and Exponential distribution.

[6 hours]

- 2. Theory of Sampling:** Basic concept of sampling; Sampling and non-sampling errors; Practical methods of selecting random sample; Random and non-random sampling techniques; Simple random sampling, Stratified sampling, Cluster sampling, Multistage Sampling, Multiphase sampling, Systematic sampling, Purposive sampling, Convenient sampling, Quota sampling and Snowball sampling; Sampling distributions (statement only); Sample size decisions; Central limit theorem.

[5 hours]

- 3. Theory of Estimation:** Concept of point and interval estimation; Properties of a good estimator; Methods of estimation (Methods of moments, Least squares method).

[3 hours]

- 4. Test of Hypotheses:** Basic concepts of hypothesis testing; Small sample and large sample parametric tests based on Z, t, Chi-square and F statistic for population means and proportions; Confidence interval for population mean and proportions.

[5 hours]

- 5. Non-parametric Tests:** Pearsonian Chi-square test; Kolmogorov-Smirnov test; Wilcoxon signed rank test; Wald-Wolfowitz run test; Mann-Whitney test ; Median test, Kruskal-Wallis test .

[4 hours]

- 6. Analysis of Variance:** Analysis of one-way classified data; Analysis of two-way classified data with one observation per cell.

[3 hours]

- 7. Multivariate Analysis:** Multiple linear regression model; Multiple and Partial correlations; Basic concept of factor analysis, cluster analysis, discriminant analysis and conjoint analysis.

[4 hours]

8. Business Forecasting Models: Decomposition of time series components; Exponential smoothing models (single, double and triple).

[3 hours]

Suggested Readings:

1. Aczel, A. D., & Sounderpandian, J. *Complete Business Statistics*. Tata McGraw Hill.
2. Das, J. K. *Statistics for Business Decisions*. Academic Publishers.
3. Gupta, S. C. *Fundamentals of Statistics*. Himalaya Publishing House.
4. Hanke, J. E. *Business Forecasting*. Prentice Hall of India.
5. Hooda, R. P. *Statistics for Business and Economics*. Macmillan.
6. Johnson, R. A., & Wichern, D. W. *Applied Multivariate Statistical Analysis*. Prentice-Hall of India.
7. Makridakis, S., Wheelwright, S. C., & Hyndman, R. J. *Forecasting Methods and Applications*. John Wiley and Sons.
8. Ruppert, D. *Statistics and Finance: An Introduction*. Springer.
9. Sharma, J. K. *Business Statistics*. Pearson Education.
10. Shenoy, G. V., & Pant, M. *Statistical Methods in Business and Social Science*. Macmillan India.

CODE: EEBM 4201

ECONOMIC ENVIRONMENT OF INDIAN BUSINESS

1. Macroeconomic Overview: 1991-2013

GDP growth – Sectoral Performance – Growth Projections – Growth drivers – Growth and economic well being – Risk factors and constraints.

[4 hours]

2. Sectoral Issues

(a) Agriculture: Agricultural development strategy in the post – Independence period : Institutional and technocratic model - Reasons for the slow growth of agriculture in the recent years – Emerging opportunities and Challenges in Agribusiness – Policy Reforms in agricultural sector : Product market, Factor Market and composition of Govt. spending.

[7 hours]

(b) Industry: Industrial policy prior to reform and its consequences – Shifts in industrial policy paradigm – Industrial Restructuring, productivity and Innovation - Open economy advantages and challenges. Reasons for the slow growth and investment and production in the manufacturing sectors with specific reference to labour-intensive manufacturing activities

[7 hours]

(c) Services: Growth and contribution of service sector—Growth rate and shares of services sub-sectors in GDP- Reasons for the rapid growth of services sector—Sustainability of services – led growth.

[4 hours]

3. Development Priorities and Policies

Characteristics of growth stages: Factor-driven, efficiency-driven and innovation driven—India's development potential as a factor-driven economy—Pillars of factor-driven growth: institutions, infrastructure, health and education, and macroeconomic environment—Investment priorities and resource mobilization for factor-driven growth with specific reference to the areas of government

intervention and market reforms – Macroeconomic stabilisation policies (Fiscal & monetary measures) for GDP growth, balance of payments management and inflation management

[12 hours]

Suggested Readings:

1. Basu, K. ((ed):Introduction and article No.5). *India's Emerging Economy*. Oxford University Press.
2. Bhagwati, J., & Panagaria, A. *Why growth matter*. Atlantic Publisher.
3. *Business standard: India 2008, Article Nos. 1, 2 and 3*.
4. Nayyar, G. (2012). *The Service Sector in India's Growth*. OUP.
5. Panagaria, A. (2008). *India: The Emerging Giant*. Oxford University Press.
6. Radhakrishna, R. (2013). *India Development Report*. IGIDR and OUP.
7. Schwab, K. (2013). *The Global Competitiveness Report, 2012-13*. World Economic Forum.

CODE: MAMM 4201

MARKETING MANAGEMENT

1. Understanding Marketing

Concept; Needs and Wants; Exchange; Consumer- and Societal-orientation; Rural Marketing; Customer Relationships & Challenges; Consumerism [8 hours]

2. Developing Marketing Opportunities and Strategies

Market Segmentation; Marketing Environment; Adopting Competitive Strategies [6 hours]

3. Developing the Marketing Mix

Concept of Marketing Mix of Product and Service; Product Mix Decisions; New Product Development Process; Product Life Cycle; Price; Factors to consider when setting Price; Pricing Strategies; Nature and Importance of Marketing Channels; Marketing Logistic: Importance & Functions; Marketing Communication Mix; Public Relations [20 hours]

Suggested Readings:

1. Etzel, Walker, Stanton, & Pandit. *Marketing: Concepts and Cases*. Tata-McGraw Hill.
2. Grewal, and Levy. *Marketing*. Tata-McGraw Hill
3. Kotler, & Armstrong. *Principles of Marketing*. Pearson Education.
4. Ramaswamy, & Namakumari. *Marketing Management: Planning, Implementation and Control*. Macmillan.
5. Perrault, & McCarthy. *Essentials of Marketing*. McGraw Hill.
6. Perrault, & McCarthy. *Basic Marketing: A Global Managerial Approach*. McGraw Hill
7. Saxena. *Marketing Management*, Tata-McGraw Hill

CODE: FIMM 4201

FINANCIAL MANAGEMENT

1. Scope and Objectives of Financial Management

[3 hours]

- (a) Meaning, Importance and Objectives
- (b) Conflicts in profit versus value maximization principle
- (c) Role of Chief Financial Officer and Organization of Finance Functions.

2. Concept of Value, Return and Risk

[6 hours]

- (a) Compounding and discounting techniques— Concepts of Annuity and Perpetuity.
- (b) Risk and Return; Basic concepts and their relation with the concept of ‘value’ of the business.
- (c) Risk and Return- an overview of capital market theory

3. Financing Decisions

[6 hours]

- (a) Cost of Capital — weighted average cost of capital and Marginal cost of capital
- (b) Capital Structure decisions — Capital structure patterns, designing optimum capital structure, Constraints, Various capital structure theories.
- (c) Business Risk and Financial Risk — operating and financial leverage, trading on Equity.

4. Investment Decisions

[6 hours]

- (a) Purpose, Objective, Process
- (b) Understanding different types of projects
- (c) Techniques of Decision-making: Non-discounted and Discounted Cash flow Approaches-
- (d) Ranking of competing projects, Ranking of projects with unequal lives.
- (e) Analysis of risk and uncertainty in capital budgeting decisions- risk evaluation approaches.
- (f) Project selection under capital rationing.

5. Management of Working Capital

[6 hours]

- (a) Working capital policies
- (b) Financing of working capital.
- (c) Inventory management
- (d) Receivables management

(e) Payables management

(f) Management of cash and marketable securities

7. Dividend Decisions

[6 hours]

(a) Concept

(b) Principal determinant factors for dividend decision.

(c) Different Dividend Decision Theories.

(d) Legal, procedural and tax aspects.

Suggested Readings:

1. Banerjee, B. *Financial Policy & Management Accounting*. PHI.
2. Chandra, P. *Financial Management*. TMH.
3. Horne, V. *Financial Management & Policy*. Pearson Education.
4. Horne, V. *Fundamentals of Financial Management*. PHI.
5. Khan, M. Y., & Jain, P. K. *Financial Management*. TMH.
6. Pandey, I. M. *Financial Management*. VIKAS.

CODE: SCMM 4201

STRATEGIC COST & MANAGEMENT ACCOUNTING

1. Introduction

Concept of Strategic Cost Management, Strategic Management Accounting and Competitive Position Analysis, Information provided by Strategic Management Accounting, Globalized Competitive scenario and the role of Strategic Cost and Management Accounting, Relationship between Strategic Management and Strategic Cost Management.

[3 hours]

2. Strategic Approaches to Cost Management

- Activity based Cost analysis and Activity based Cost Management
- Target Costing, Life cycle costing, Quality Costing, JIT (including Back flush Costing and Throughput costing)

[6 hours]

3. Performance Measurement

Return on Investment, Residual Income, Responsibility Accounting and Reporting, Balanced Scorecard.

[3 hours]

4. Marginal Costing and Strategic Management decisions.

[6 hours]

5. Management control Techniques

- Cost Control, Cost Reduction, Benchmarking, Value chain Analysis and Value Engineering.
- Budgetary Control System
- Standard Costing and Variance Analysis (including Sales Variance)

[9 hours]

6. Transfer Pricing

Objectives, Guiding Principles, different methods and their applications

[3 hours]

7. Decision Making Through Cost Analysis

Relevant Costing.

[3 hours]

Suggested Readings:

1. Atkinson, Kaplan, Matsumara, Yong, & Kumar. *Management Accounting*. Pearson Education.
2. Banerjee, B. *Cost Accounting*. Prentice Hall of India.
3. Banerjee, B. *Financial Policy & Management Accounting*. PHI.
4. Banerjee, B. *Financial Policy and Management Accounting*. Prentice Hall of India.

5. Basu, Banerjee, & Dandapat. *Strategic Cost Management*. University of Calcutta.
6. Blocher, Chen, Cokins, & Lin. *Cost Management: A Strategic Emphasis*. TMH.
7. Chandra, P. *Financial Management*. TMH.
8. Drury, C. *Management and Cost Accounting*. Thomson Learning and Taxman.
9. Horagren, Dabur, & Foster. *Cost Accounting: A Managerial Emphasis*. PHI and Peasons Education.
10. Horne, V. *Financial Management & Policy*. Pearson Education.
11. Horne, V. *Fundamentals of Financial Managemen*. PHI.
12. Khan, M. Y., & Jain, P. K. *Financial Management*. TMH.
13. Kishore, R. M. *Cost Management*. Taxman.
14. Lucey, T. T. *Management Accounting*. ELBS.
15. Pandey, I. M. *Financial Management*. VIKAS.
16. Saxena, & Vasist. *Cost and Management Accounting*. Sultan Chand.

CODE: ECAM 4201

E-COMMERCE APPLICATIONS

(Theory)

Total Marks: 25

Duration: 20 HOURS

1. Categories of E-Commerce (Models)

Business to Consumer (B to C) model – Basic idea, major activities, major challenges. Models of B to C [portals, e-tailer, content provider, transaction broker] Business to Business (B to B) model – Basic idea, major activities, types of B to B market [independent, buyer oriented, supplier oriented, vertical and horizontal e-market place]. Other models – Business to Government (B to G), Consumer to Consumer (C to C), Consumer to Business (C to B).

[6 hours]

2. **Internet Basics**

What is Internet, Protocols, IP Address, DNS, Web Site, Web Page.

[2 hours]

3. **Web Applications**

Client-Server application concepts - Introduction to scripting languages; Java Script Language.

[4 hours]

4. **Legal Framework and Regulatory Issues**

IT Act 2000 in the context of e-commerce, Data protection and privacy. Intellectual property protection in cyber space.

[5 hours]

5. **E-Payment**

Types of E-Payment – Payment card [credit card and debit card], Electronic or digital cash. Electronic or digital wallet. Stored value card [smart card]. Basic idea of online banking [core banking solution or CBS]

[3 hours]

E-COMMERCE APPLICATIONS

(Practical)

Total Marks: 25

Duration: 25 HOURS

1. HTML & Java Script.

[10 hours]

2. Introduction to Java Programming.

[10 hours]

3. Project Presentation.

[5 hours]

Suggested Readings:

1. Joseph, P. T. S.J., *E-Commerce: An Indian Perspective*. PHI.
2. Laudon, & Traver. *E-Commerce*. Pearson Education.
3. Schneider, G. *Electronic Commerce*. Thomson Publishing.

SEMESTER III

INTRODUCTION TO RESEARCH METHODOLOGY INCLUDING SPSS PACKAGE PAPER CODE: IRMM 4301

GROUP A [30 MARKS]

1. **Introduction to Research:** importance, nature and scope of research, meaning, objective, importance & scope, types, approaches, research process, challenges faced by researchers in India
[1.5 hours]
2. **Problem Formulation and Research Design:** problem definition – literature review - Research objective –formulation of research hypothesis - developing a research proposal – determining research type – Research designs
[2 hours]
3. **Sources of Data and Collection of Data:** primary data collection methods – questionnaire techniques, online surveys, observation method, survey, panel and focus group methods – questionnaire preparation: characteristics of a good questionnaire – discussions on certain problems to develop questionnaire (market research problems can be considered together with finance oriented problems)
[1.5 hours]
4. **Aptitude Measurement and Scaling Techniques:** elementary introduction to measurement scales – rating scales – Likert and Semantic differential scale
[1.5 hours]
5. **Sampling Plan:** universe, sample frame and sampling unit – sampling techniques – sample size determination – sampling and non-sampling errors – probability and non-probability samples, simple random sampling, stratified random sampling, cluster sampling, systematic sampling, area sampling, quota sampling, judgment sampling
[1.5 hours]
6. **Data Processing and Analysis:** tabulation of data – validation, editing coding and exploratory data analysis : correlation and regression; inferential data analysis univariate, bivariate and multivariate data analysis – hypothesis testing – ANOVA—non-parametric and parametric statistics –trend forecasting--- reliability and validity of research
[5 hours]

7. **Interpretation & Report Writing:** Meaning, techniques, Precautions of Interpretations, Report writing – significance, steps, layout, types [1.5 hours]
8. **Market Research :** Case Study [1.5 hours]

GROUP B [20 MARKS]

SPSS PACKAGE

Total= 16 hours

LIVE PROJECT / ASSIGNMENT FOR EACH STUDENT

1. Introduction / Basic Concepts –Data View and Variable View
2. Exploratory Data Analysis—Displaying Data/ Frequency—Displaying Data/ Graphs—Percentiles; Percentiles Rank – Descriptive Statistics – Measures of Central Tendency—Measures of Dispersions
3. Inferential Data Analysis—Reliability Analysis—Introduction to Hypothesis Testing—Testing Hypothesis about single mean—Comparability of Means of Two samples
4. Correlation Analysis
5. Non-Parametric Tests
6. Bivariate and Multivariate Data Analysis—Regression and ANOVA; Factor Analysis; Cluster Analysis; Discriminant Analysis; Conjoint Analysis
7. Trend Forecasting Tools

Suggested Readings:

1. Kothari, C.R., *Research Methodology, Methods & Techniques*, New Age International Publishers
2. Ahuja, R., *Research Methods*, Rawat Publications
3. Zikmund, W.G., *Business Research Methods*, Thomson
4. Parasuraman, A., and Grewal, D., *Methodology of Research in Social Science*
5. Keizer, J, *Business Research Projects*, Piet Kempen
6. Gupta S.L. & Gupta Hitesh, *SPSS 17.0 for Researchers*, International Book House Pvt. Ltd.
7. Pati, Debashis, *Marketing Research*, University Press

ADVANCED AUDITING AND ASSURANCE SERVICES

PAPER CODE: AUAM 4301

1. **Auditing Concepts:** An overview of the postulates and concepts of auditing; meaning and importance of auditor's independence; factors compromising auditor's independence; regulatory framework for ensuring auditor's independence; the audit and assurance services and the audit expectation gaps

[3 hours]

2. **Auditing and Assurance Standards:** An overview of the structure of Standards issued by the Auditing and Assurance Standards Board of the ICAI (viz. SQCs, SAs, SAEs, SRS); Standard on Quality Control (SQC-1: Salient features); Major thrust areas of Standards on Auditing (SAs); General Principles and Responsibilities;

[6 hours]

3. **Objective and Scope of Auditing:** SA 200 (Revised): Overall Objectives of the Independent Auditor and Conduct of an Audit in Accordance with Standards on Auditing.

[3 hours]

4. **Audit Strategy, Planning and Programming:** Planning the flow of audit work ; audit strategy, planning programme and importance of supervision; review of audit notes and working papers; drafting of reports; principal's ultimate responsibility; extent of delegation; control over quality of audit work; reliance on the work of other auditor, internal auditor or an expert

[6 hours]

[Ref: SA 210 (Revised) Agreeing to the Terms of Audit Engagement – SA 220 (Revised) Quality Control for an Audit of Financial Statements - SA 230 (Revised) Audit Documentation – SA 600 Using the Work of Another Auditor/ Special Considerations – Audit of Group Financial Statements (Including the Work of Component Auditors) – SA 610 (Revised) Using the Work of Internal Auditor – SA 620 (Revised) Using the Work of Auditor's Expert]

5. **Risk Assessment and Internal Control:** Scope of internal control; need for evaluation of internal control; evaluation of internal control procedures; techniques of documenting internal controls including questionnaire, flowchart, narrative descriptions and checklists - internal audit and external audit, coordination between the two

[3 hours]

[Ref: SA 315 Identifying and Assessing the Risks of Material Misstatements through Understanding the Entity and Its Environment – SA 330 Auditor's Response to Assessed Risks]

6. Audit Report qualifications; notes on accounts; distinction between notes and 'emphasis matter' and qualifications - detailed observations by the statutory auditor to the management vis-a-vis obligations of reporting to the members. CARO' 2004

[6 hours]

[Ref: SA 700 (Revised) Forming and Opinion and Reporting on the Financial Statements – SA 705 Modifications to the Opinion in an Independent Auditor’s Report]

7. Audit under computerized information system (CIS) environment: Special aspects of CIS Audit Environment; need for review of internal control especially procedure controls and facility controls; approach to audit in CIS Environment; use of computers for internal and management audit purposes; audit tools, test packs, computerized audit programmes; special aspects in audit of E-Commerce transaction.

[4.5 hours]

8. Audit Committee and Corporate governance: role of audit committee under the Companies Act 1956 and listing agreement; certificate of corporate governance

[3 hours]

9. Internal audit, management and operational audit: nature and purpose, organization, audit programme, behavioral problems, internal audit standards issued by the ICAI, co-ordination between internal audit and external audit; Specific areas of management and operational audit

[4.5 hours]

10. Professional Ethics: Code of Ethics with special reference to the relevant provisions of The Chartered Accountants Act, 1949 and the Regulations there under.

[6 hours]

Suggested Readings:

1. Kamal Gupta, *Contemporary Auditing*, McGraw-Hill Education (India) Ltd.
2. B.N.Tandon, *Auditing Practice*, Sultan Chand, New Delhi
3. Victor Z. Brink and Herbert Witt, *Modern Internal Auditing*, A Ronald Press Publication, John Wiley & Sons
4. R.J. Thirauf, *Management Auditing: A questionnaire approach*, AMACOM Publication
5. Emile Woolf, *Auditing Today*, Prentice Hall
6. Basu. S. K., *Audit and Assurance*: Pearson Education

CORPORATE FINANCIAL ACCOUNTING, REPORTING AND ANALYSIS

PAPER CODE: CFAM 4301

CORPORATE FINANCIAL ACCOUNTING (30 MARKS)

1. Nature of accounting standards- process of setting standards- standards formulated by ICAI- International Financial Reporting Standards (IFRS) [3 Hours]
2. Objective of corporate financial reporting – components of corporate annual reports- form and contents of the financial statements [3 Hours]
3. Accounting for corporate restructuring (including inter-company holdings) [7.5 Hours]
4. **Consolidated financial statements of group companies**- consolidation procedures- minority interests, goodwill, treatment of pre- acquisition and post-acquisition profit, consolidation with two or more subsidiaries, consolidated profit and loss account, balance sheet and cash flow statement [7.5 Hours]
5. **Accounting for financial instruments** -recognition, measurement and reporting [3 Hours]
6. Developments in financial reporting - Value added statement and economic value added - Corporate social and environmental reporting [3 Hours]

FINANCIAL STATEMENT ANALYSIS (20 MARKS)

1. **Financial Statement analysis** – meaning and need, limitations, and problems of off balance sheet items. Tools and techniques of financial Statement Analysis [3 Hours]
2. Preparation and analysis of Cash Flow Statement – computation of ratios from CFS and their interpretation. [7.5 Hours]
3. **Valuation of business** - use of FCF and EVA, relevance of WACC for the purpose of valuation; Valuation using P/E, Direct comparison method. [4.5 Hours]
4. **Corporate failure** – meaning, causes and symptoms. Use of models for prediction of corporate failure. [3 Hours]

Suggested Readings:

1. Richard Lewis and David Pendrill -*Advanced Financial Accounting*- Pearson Education
2. Steven M. Bragg-*GAAP: Interpretation and Application of Generally Accepted Accounting Principles* – Wiley

3. B.Banerjee -*Regulation of Corporate Accounting & Reporting in India*- World Press.
4. Asish K Bhattacharya -*Indian Accounting Standards*- McGraw-Hill Education (India).
5. Ravi.M.Kishore- *Advanced Accounting with Accounting Standards: Problems & Solutions* - Taxman
6. L.S.Porwal -*Accounting Theory* -McGraw-Hill Education (India)
7. Banerjee & Basu (eds.)- *Corporate Financial Reporting*- University of Calcutta.
8. Accounting Standards issued by ICAI.
9. Wild, Subramanyam and Halsay, *Financial Statement Analysis*, McGraw-Hill
10. George Foster, *Financial Statement Analysis*, Pearson Education
11. Ashis K Bhattacharya, *Financial Statement Analysis*, Elsevier
12. Sinha, Gokul, *Financial Statement Analysis*, N.B. Publications
13. Samir Kr Lobow, *Financial Statement Analysis*, Maity Book House
14. Madhu Agarwal & Alope Agarwal, *Financial Statement Analysis*.

FINANCIAL INSTITUTIONS & MARKETS

PAPER CODE: FIFM 4301

1. **Introduction:** Nature and role of financial system-Components of financial system-Relationship between financial system and economic growth- An overview of the functioning of the Indian financial system in the liberalized environment- Functioning of financial markets in the globalised financial system. **[3 Hours]**

2. **The Money Market:** Role of Money market in the economy – Money market instruments- Money market intermediaries- Recent developments in Indian Money market and global money markets. **[4 Hours]**

3. **The Capital Market:** Structure of Indian Capital market – Reforms in the Capital Market – Major Capital market instruments – Changes in the Pricing System – Functioning of Stock Exchanges – Stock market indices – Role of intermediaries – An overview of the major Capital Markets in the world - Functioning of Indian Capital market in a globalised system – Regulation of the capital market and the role of SEBI. **[7 Hours]**

4. **Interest rate structure:** Determinants of interest rate structure – Differential interest rate- Recent developments. **[2 Hours]**

5. **Commercial bank operations:** Participation of bank in financial markets – Risk Management in commercial banks – NPA management by banks in India – the role of RBI in regulating banks in India – International banking. **[6 Hours]**

6. **Non-banking Financial Institutions :** Role and functions – Insurance business in India – Role of IRDA and PFRDA **[3 Hours]**

7. **Financial Services :** Merchant Banking – Depository services – Credit rating -Factoring and forfeiting – Housing Finance – Lease Financing – Securitization - Venture Capital – Relevant SEBI Guidelines **[5 Hours]**

8. **Mutual Funds:** Background – different types of mutual fund schemes-Growth of Mutual fund industry in India – Relevant SEBI guidelines. **[4 Hours]**

9. **Foreign Investments:** Types of Foreign investments in India -Regulatory framework – Recent trends of foreign investment in India. **[2Hours]**

Suggested Readings:

1. L.M. Bhole ,*Financial institutions & Markets*, Mc Graw Hill Education, New Delhi
2. Mandura Jeff , *Financial Markets & Institutions*, West Publishing Company, New York.
3. Meir Khon ,*Financial Institutions & Markets*, Mc Graw Hill Publishing Company, New York.
4. V.A. Avadhani, *Investment and securities Markets in India*, Himalaya Publishing.
5. M.Y. Khan, *Indian Financial System*, Tata McGraw Hill.
6. B.V. Pathak, *The Indian financial System*, Pearson.
7. S.S.Saha, *Indian Financial System and Markets*,Tata McGraw Hill Education, New Delhi.

SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

PAPER CODE: SAPM 4301

1. **Introduction:** Meaning of investment – speculation and Gambling – Investment avenues - Types of investors – Investment objectives – The investment process – Meaning of security – Types of securities – Meaning of security analysis-- sources of financial information.
[1.5 hours]
2. **Risk and Return** – Computation of return – Meaning and definition of risk – Types: (Systematic risk- Market risk, Purchasing power risk, Interest rate risk, Unsystematic risk- Business risk (Internal, External), Financial risk) – Minimising risk exposure; Risk measurement - Standard deviation – Meaning of Beta – Computation and interpretation – Use of beta in estimating returns.
[4 hours]
3. **Fundamental analysis:** Economic analysis, industry analysis and company analysis.
[5 hours]
4. **Valuation of securities:** preference shares, equity shares--Constant Growth model, Two-Stage Growth model, The Three-Phase Model, Valuation through P/E ratio. Free Cash Flow Valuation
[5 hours]
5. **Technical Analysis** - Meaning and Assumptions of technical analysis – Trend lines and their significance – Market indicators – The Dow theory – Market indices – Mutual fund activity – Confidence level – Price indicators – Support and Resistance levels – Gap analysis - New high-low – The most active list – Moving averages of stock prices – Volume indicators- Price-volume relationship – Short selling – Breadth of market (Advance/Decline) – Odd lot trading – Oscillators – Relative Strength Index (RSI) – Rate of Change (ROC) –Charting – Types of price charts – Price patterns.
[6 hours]
6. **Efficient Market Hypothesis (EMH)** – Random Walk theory – Forms of EMH: Weak, Semi-strong and Strong – EMH and empirical findings – Implication of EMH on fundamental and technical analysis – Market inefficiencies.
[4 hours]
7. **Valuation of Bonds** – Overview of fixed-income securities – Risk factors in fixed-income securities (Systematic and unsystematic) – Bond analysis – Types of bonds – Major factors in bond rating process – Bond returns – Holding period return – Bond Valuation -- Concept of yield – Current yield – Yield-to-Maturity – Price-yield relationship – Bond Pricing

Theorems– Duration – Immunization-- Term structure of interest rates and yield curve
[6 hours]

8. **Portfolio Analysis** – Selection and Evaluation – Meaning of portfolio – Reasons to hold portfolio – Diversification analysis – Computation of Portfolio Return and Risk -- Markowitz’s Model – Assumptions – Specific model – Risk and return optimization – Feasible set --Efficient frontier – Efficient portfolios –Leveraged portfolios – Corner portfolios –optimum portfolio-- Sharpe’s Single Index model – Portfolio evaluation measures – Sharpe’s Performance Index – Treynor’s Performance Index – Jensen’s Performance Index.

[7 hours]

9. **Capital Market Theory** – CAPM theory: Assumptions – CAPM Model – Capital Market Line (CML) – Security Market Line (SML) – Evaluation of securities – Present validity of CAPM – Arbitrage Pricing Theory (APT) – Assumptions – APT model – two factor and multi factor models; Principle of arbitrage, arbitrage portfolios.

[4 hours]

10. **Equity and Bond Portfolio Management Strategy:** Passive vs. Active Management-- Passive Equity Portfolio Management Strategy-Index Portfolio Construction Techniques-- Tracking Error, Methods of Index Portfolio Investment-- Fundamental Active Strategies; Technical Strategies. Market Anomalies; Value vs. Growth Investments-- Investor Behaviour and Stock Returns. Bond Portfolio Management Strategies: Passive and Active Bond Portfolio Management Strategies.

[2.5 hours]

Suggested Readings:

1. Fischer & Jordan, Security Analysis and Portfolio Management, Prentice Hall India.
2. Prasanna Chandra, Investment Analysis and Portfolio Management , Tata McGraw Hill.
3. Railley and Brown, Investment Analysis and Portfolio Management, Cengage Learning.
4. Punithavathy Pandian, Security Analysis and Portfolio Management, Vikas Publishing House Pvt. Ltd.
5. V. A. Avadhani, Investment and Securities Market in India, Himalaya Publishing House
6. William Sharpe, Portfolio Theory and Capital Market, McGraw-Hill Education, New York.
7. Elton Edwin J, Gumber; Martin J, Modern Portfolio Theory and Investment Analysis, Wiley, New York
8. Martin Pring, Technical Analysis Explained, McGraw Hill.
9. Frank J. Fabozzi, “Investments”.
10. Sharpe, Alexander and Baily, Investments, PHI

STRATEGIC FINANCIAL MANAGEMENT

PAPER CODE: SFMM 4301

1. Financial Policies and Corporate Strategy

[6 Hours]

- (a) Strategic decision making and planning.
- (b) Strategic choices and planning.
- (c) Strategic financial planning.
- (d) Interface of Financial Policy and strategic management.
- (e) Financial forecasting and modeling.
- (f) Construction of financial model.
- (g) Balancing financial goals vis-à-vis sustainable growth.

2. Risk Analysis in Capital Budgeting

[9 Hours]

- (a) Concept and techniques of risk analysis.
- (b) Capital budgeting decisions – sensitivity analysis; scenario analysis; financial break-even analysis; simulation analysis; decision tree analysis; corporate risk analysis.
- (c) Project selection under risk- judgmental evaluation, payback requirement, risk profile method; risk adjusted discount rate method; certainty equivalent approach.

3. Strategic Financial Decisions

[6 Hours]

- (a) Concept, strategic vitals, cash flow, profitability and pricing, profiling for future profits, maintaining against benchmarks.
- (b) Financial strategy and marketing investments' strategic evaluation of advertising investments- future forecasting and benchmarking.
- (c) Financial strategy and financial impact, optimizing variable cost expenses, forecasting outcomes, strategic management for customer delight.

4. Complex Investment Decisions

[12 Hours]

- (a) Area of complexity, project with different lives, investment timing and duration, adjusted net present value.

(b) Replacement of an existing asset, investment decision under capital rationing, application of real options in capital budgeting, Impact of inflation on capital budgeting decisions.

(c) Project planning and investment decision.

5. Mergers, Acquisitions and Corporate Restructuring

[6 Hours]

(a) Searching for potential targets, merger strategy and negotiations

(b) Financing of mergers and acquisition

(c) Contingency finance plan, cultural diversity, synergy and other issues and handling risk of failures

6. Valuation Techniques

[6 Hours]

(a) Discounted cash flow and relative valuation,

(b) Approaches to valuation- income approach, asset approach, PE multiples and other valuation issues

Suggested Readings:

1. M.Y.Khan & P.K.Jain- *Financial Management*- TMH
2. Van Horne- *Financial Management & Policy*- Pearson Education
3. Van Horne- *Fundamentals of Financial Management*- PHI
4. B.Banerjee- *Financial Policy & Management Accounting*- PHI
5. P.Chandra- *Financial Management*- TMH
6. I. M. Pandey- *Financial Management*- VIKAS
7. Copeland, Weston & Shastri- *Financial Theory and Corporate Policy*- Pearson Education

SEMESTER IV

DERIVATIVES AND RISK MANAGEMENT

Paper Code: DRMM 4401

1. Introduction

(3 Hours)

Derivatives – Meaning, Types, Uses, Dangers; Types of Traders - Hedger, Speculator, Arbitrageur; Derivatives Markets in India- Overview

2. Forward & Futures

(8 Hours)

Forward- Types, Pricing, Settlement, Arbitrage Argument; Futures-Types, Pricing, Settlement, Hedging with Commodity Futures, Arbitrage with Index Futures; Forward vs. Future contracts

3. Option

(12 Hours)

Types, Option Positions, Payoffs, Trading Strategies: – Covered, Combination, Spread; Properties of Stock Options- Option Pricing: Factor affecting Option Prices, Upper and Lower Bounds of Option Prices, Put-Call Parity, Effect of Dividends; Pricing- Risk Neutral Valuation, Binomial Model and Black-Scholes Model; Exotic Options.

4. Swaps

(5 Hours)

Types- Interest Rate Swap, Currency Swap and Equity Swap; Valuation; Risk Management with Swaps

5. Warrants & Convertibles

(3 Hours)

Concepts; Uses; Valuation

6. Managing Market Risk

(5 Hours)

Greeks – Delta, Theta, Gamma, Vega, Rho, Relationship between Delta, Theta and Gamma; Value at Risk – Concepts, Methods; Portfolio Insurance

8. Credit Risk and Credit Derivatives

(3 Hours)

Concepts, Types- Credit Default Swaps (CDS) and Collateralized Debt Obligations (CDO); Credit Default Swap- Indian Scenario

9. Other Derivatives

(4 Hours)

Commodity Derivatives; Interest Rate Derivatives and Euro Dollar Derivatives; Weather, Energy and Insurance Derivatives, Swaptions, Futures Option

10. Derivatives Mishaps and Learning

(2 Hours)

Lessons for users of derivatives in India and, Lessons for Financial and Non-Financial Corporations in India

Suggested Readings

1. and S Basu, *Options, Futures and Other Derivatives*, Pearson
2. N. R. Parasuraman, *Fundamentals of Financial Derivatives*, Wiley India
3. S. K. Parameswaran, *Fundamentals of Options*, TATA McGraw Hill
4. Rajiv Srivastava, *Derivatives and Risk Management*, Oxford University Press
5. Don M. Chance, *Derivatives and Risk Management Basics*, Cengage Learning
6. John C. Hull, *Risk Management and Financial Institutions*, Pearson
7. Robert Kolb, *Financial Derivatives*, New York Institute of Finance, New York

INTERNATIONAL FINANCE

PAPER CODE: IFIM 4401

1. Introduction:

(3 Hours)

International Business and its Modes, Multinational Corporations, Domestic Financial Management & International Financial Management

2. International Monetary and Financial System

(4 Hours)

History of Monetary System—Gold standard, Gold exchange standard, Bretton woods system and Post Bretton woods system, IMF and the World Bank; European monetary system - Meaning and scope, recent developments

3. Balance of Payments and International Linkages

(4 Hours)

Balance of payments and its components; International flow of goods, services and capital; Coping with current account deficit

4. Exchange Rate Mechanism

(8 Hours)

Definition of Foreign Exchange; Exchange Rate Quotation: Two Way Quote; Buying/Selling (Bid/Offer or Ask) Quotes and Spread; Direct and Indirect Quotes; Inverse Quote; Inter Bank and Merchant Rates; TT, Bill, TC, Cash/Currency Rates; Value/Settlement Date; Cash/TOD, TOM; Cross Rates; 2 Point and 3 Point Arbitrage; Exchange Arithmetic Nominal, Real and Effective Exchange Rates; Determination of Exchange Rate in Spot market and Forward Market; Factors

Influencing Exchange Rate; Fundamentals of Central Bank Intervention; Demand and Supply of Foreign Exchange; Purchasing Power Parity; Effect of Inflation; Fisher's Equation; Interest Rate Parity; Covered Interest Arbitrage;

5. Foreign Exchange and Derivatives Markets (4 Hours)

Foreign Exchange Market – Features, Participants, Cash, Spot and Forward Market; Volume of Transactions; Merchant and Speculative Transactions; Regulator; FEMA; Authorized Dealers; FEDAI; OTC Market; Telephonic Market; Round the Clock Market; Brokers; Voice Box; Settlement Process and Settlement Risk; Back Office; Currency Futures Market, Currency Option Market

6. Foreign Exchange Risk Management (8 Hours)

Transaction exposure, Translation exposure and Operating exposure; Management of Exposure: Hedging of Transaction, Translation and Operating Exposure

7. International Investment Decisions (5 Hours)

Foreign Direct Investment, International Capital Budgeting, International Portfolio Investment

8. International Financing Decisions (5 Hours)

International Financial Market and Instruments, Multinational Cost of Capital and Capital Structure, International Banking, Financial Swaps

9. International Working Capital Management (2 Hours)

Financing Foreign Trade, Current Asset management, Financing Current Assets

10. International Transfer Pricing (2 Hours)

Concepts and Application

Suggested Readings

1. Eikeman, Stonehill & Moffett, *Multinational Business Finance* by Tata McGraw Hill
2. Alan C. Shapiro, *Multinational Financial Management*, Wiley
3. V. Sharan, *International Financial Management*, PHI
4. Prakash G. Apte, , Tata McGraw Hill
5. V. K. Bhalla, *International Financial Management*, Anmol publication, New Delhi.
6. Siddaiah, *International Financial Management*, Pearson
7. Jeff Madura, *International Financial Management* by. Asian Books Pvt Ltd, New Delhi.

TAXATION FOR BUSINESS DECISION MAKING

PAPER CODE: TDBM 4401

PART A (INCOME TAX)

1) Taxation of companies:

- Computation of total income with focus on business income, tax holiday provisions, deductions under chapter VI- A related to new industrial undertakings

- Computation of tax liability (including MAT) **[9 Hours]**

2) Taxation of LLPs and Alternative Minimum Tax **[4 Hours]**

3) Concept of Tax Planning, Tax Avoidance, Tax Evasion and Tax Management:

- Objectives and Requisites of Tax Planning
- Factors, Types and Tools of Tax Planning **[1.5 Hours]**

4) Tax Planning under different Heads of Income, on set off and carry forward of losses and on deductions under chapter VI-A **[5 Hours]**

5) Managerial Decision and requiring tax awareness:

- Setting up a new business (location, nature and pattern of ownership)
- Financial management decisions:
 - a) Capital structure
 - b) Dividend policy (including treatment of inter-corporate dividend, deemed dividend and Dividend Distribution Tax), Bonus Shares
 - c) Buy Back of Shares, Redemption of Preference shares, Conversion of Debentures and Preference Shares into Equity Shares
- Specific management decisions:
 - a) Own or lease, repair or replace, make or buy, shut down or continue
 - b) Business restructuring
 - c) Personal compensation plans **[9 Hours]**

- 6) Relief for double taxation and advance ruling [5.5 Hours]
- 7) Transfer pricing including safe harbour rule, advance pricing agreements and specified domestic transactions [4 Hours]
- 8) Various anti-abuse provisions (like transactions involving payment to interested persons, transactions through payments otherwise than by account payee cheques or drafts, contribution to non-statutory trust or fund, dividend stripping, bonus stripping etc.) [3 Hours]

PART B (WEALTH TAX)

Valuation of assets, computation of net wealth and tax liability of an individual and a company [4 Hours]

Provisions, which are introduced or deleted by Finance Act and are relevant in the context of syllabus, need to be considered.

SUGGESTED READINGS:

- 1) Income tax Act, 1961
- 2) V.K. Singhania and K. Singhania, *Direct Taxes: Law and Practice*, Taxmann
- 3) Lal and Vashist, *Direct Taxes*, Pearson Education
- 4) Ahuja and Gupta, *Professional Approach to Direct Taxes Law and Practice*, Bharat
- 5) V.K. Singhania and M. Singhania, *Corporate Tax Planning and Business Tax Procedures*, Taxmann
- 6) T. N. Monoharan and G.R. Hari: *Direct Tax laws*