

**UNIVERSITY OF MYSORE**

**DOS IN COMMERECE**

**CHOICE BASED CREDIT SYSTEM - 2013-14**

**M.F.M. COURSE STRUCTURE AND SYLLABUS**

MINIMUM CREDITS REQUIRED FOR M.F.M. DEGREE

I to IV Semesters	HARD CORE COURSE		SOFT CORE COURSE		OPEN ELECTIVE COURSE		TOTAL	
	Numbers	Credits	Numbers	Credits	Numbers	Credits	Numbers	Credits
	11	44	6	24	2	8	19	76

MINIMUM CREDITS TO BE REGISTERED BY A STUDENT IN A NORMAL PHASE TO SUCESSFULLY COMPLETE M.F.M. DEGREE IN FOUR SEMESTERS

Semesters	HARD CORE COURSE		SOFT CORE COURSE		OPEN ELECTIVE COURSE		TOTAL	
	Numbers	Credits	Numbers	Credits	Numbers	Credits	Numbers	Credits
I	4	16	1	4	-	-	5	20
II	3	12	1	4	1	4	5	20
III	2	08	2	8	1	4	5	20
IV	2	08	2	8	-	-	4	16
<b>TOTAL</b>	11	44	6	24	2	8	19	76

MINIMUM CREDITS TO BE REGISTERED BY A STUDENT IN A NORMAL PHASE TO SUCESSFULLY COMPLETE M.F.M. DEGREE IN ODD AND EVEN SEMESTERS

Semesters	HARD CORE COURSE		SOFT CORE COURSE		OPEN ELECTIVE COURSE		TOTAL	
	Numbers	Credits	Numbers	Credits	Numbers	Credits	Numbers	Credits
ODD	6	24	3	12	1	4	10	40
EVEN	5	20	3	12	1	4	09	36
<b>TOTAL</b>	11	44	6	24	2	8	19	76

ODD SEMESTERS-M.F.M.

Sl. No.	Title of the Course	Hard Core/ Soft Core/ Open Elective	Number of Credits			
			L	T	P	Total
HC01	Behavioural Dynamics of Capital Markets	HC	3	1	0	4
HC02	Financial Management	HC	3	1	0	4
HC03	Financial Market Regulations	HC	3	1	0	4
HC04	Management Accounting	HC	3	1	0	4
HC05	Business Research Methods	HC	3	1	0	4
HC06	International Financial Management	HC	3	1	0	4
SC01	Business Policy and Environment	SC	3	1	0	4
SC02	Statistics for Business Decisions	SC	3	1	0	4
SC03	Insurance Management	SC	3	1	0	4
SC04	Mergers and Acquisitions	SC	3	1	0	4
SC05	Elective Group A: Agri-Risk Management Paper 1: Agri- Commodity Derivatives	SC	3	1	0	4
SC06	Elective Group B: Funds Management Paper 1: Mutual Funds	SC	3	1	0	4
SC07	Elective Group C: Financial Derivatives Paper 1: Futures, Options and Swaps	SC	3	1	0	4
OE01	Personal Financial Planning	OE	3	1	0	4

EVEN SEMESTERS-M.F.M.

Sl. No.	Title of the Course	Hard Core/ Soft Core/ Open Elective	Number of Credits			
			L	T	P	Total
HC01	Capital Market Instruments	HC	3	1	0	4
HC02	Corporate Tax Law and Planning	HC	3	1	0	4
HC03	Portfolio Management	HC	3	1	0	4
HC04	Advanced Portfolio Management	HC	3	1	0	4
HC05	Operations Research	HC	3	1	0	4
SC01	Computer Applications in Commerce	SC	3	1	0	4
SC02	Management of Financial Services	SC	3	1	0	4
SC03	International Accounting	SC	3	1	0	4
SC04	Management Information System	SC	3	1	0	4
SC05	Project Work	SC	0	1	3	4
SC06	Elective Group A: Agri-Risk Management Paper-2: Weather Risk Management	SC	3	1	0	4
SC07	Elective Group B: Fund Management Paper-2: Funds Investment Strategies	SC	3	1	0	4
SC08	Elective Group C: Financial Derivatives Paper-2: Financial Derivatives as Hedging Tools	SC	3	1	0	4
OE01	Retail Banking	OE	3	1	0	4
OE02	Financial Accounting	OE	3	1	0	4

### Elective Groups:

Any one *group* from the available electives shall be selected by a student at the commencement of III Semester. Once a group has been selected, no change in the selected group will be allowed later. The Department will announce at the end of the second semester, any one or more elective groups which will be offered during III and IV semesters depending upon the availability of faculty members and the demand for electives.

### Project Work:

A student in the fourth semester shall register for a Project Work which carries 4 credits. Work load for Project Work tutorial class is 1 hour per batch of 6 students per week for the teacher. The student shall do field work and library work in the remaining 3 hours per week. Continuous assessment criteria for major project work include:

Component-I(C<sub>1</sub>): Periodic Progress and Progress Reports – 15 Marks

Component- II (C<sub>2</sub>): Results of Work and Draft Report – 15 Marks

Component-III (C<sub>3</sub>): Final Viva-voce and Project Report Evaluation 70 Marks.

The Project Report evaluation is for 50 Marks and the Viva –Voce examination is for 20 Marks.

### Guidelines for preparation of Project Report

The project report shall be prepared as per the broad guidelines given below:

- Project Report shall be typed in Times New Roman with one and half line spacing in 12 Font Size.
- The size of the Project Report shall be with a minimum of 25,000 words and a maximum of 40,000 words.
- Project Report shall be printed on both sides of the paper.
- The Project Report shall be spiral bounded.

### Continuous Assessment:

Continuous assessment shall be conducted by the course teacher for the course he/she is teaching according to the following schedule

	C <sub>1</sub>	C <sub>2</sub>	
Week	1 <sup>st</sup> Week to 8 <sup>th</sup> Week	9 <sup>th</sup> Week to 16 <sup>th</sup> Week	Total
Marks	15	15	30

### Continuous Assessment Criteria:

Continuous Assessment Criteria shall be decided by the course teacher at the beginning of the semester and shall be informed to the students in advance. Continuous Assessment Criteria include the following:

Case study design, analysis and presentation; assignment writing; seminar presentation, group discussion and panel discussion on contemporary issues; review of research articles and its presentation; review of reports submitted by committees, expert groups to RBI, SEBI, Government etc; Review of implementation of regulations and guidelines issued by regulatory agencies; reading and analysis of annual reports, exercise problem solving, tests and any other criterion to be chosen by the course teacher.

## **MFM SYLLABUS**

### **ODD SEMESTER**

#### **HC01:BEHAVIORAL DYNAMICS OF CAPITAL MARKETS**

##### **1. Course Description:**

This course provides the coverage of integration of emerging capital markets, Psychology of Trending Markets and Value Investing.

##### **2. Course Objectives:**

Today's investor is perplexed by the sharp swings in Capital Markets. Capital Markets are becoming more complex and getting integrated at the international level. Deciphering wide swings in Capital Markets for planning an investment programme is a challenging task for Financial Managers.

The objective of the course is to acquaint the participants the capital markets landscape, the concept of EMH, beliefs and biases about markets and psychological issues which would enable to understand better the dynamics of capital markets.

##### **3. Pedagogy:**

Students must work out assigned individual topics, present seminars and participate in case studies or group discussions

##### **4. Course Contents**

**Module 1: Capital Markets Landscape:** The size-Internationalization and Integration-Emerging Capital Markets-Market Volatility-Role of FIIs-Case Studies.

**Module 2: Are Capital Markets Perfect :-** Irrelevance of Efficient Market Theory-Imperfect Substitutes-On the Survival of Noise Traders-Informational Imperfections-The Anatomy of Bubble-Case studies.

**Module 3: Behavioral Dynamics of Markets-1:** Beliefs about Markets-Biases of Judgment-Errors of Preference-Valuation and Group Behavioral Biases-The Psychology of market Information-Case Studies. Psychology of Trending Markets-Psychology of Turning points-Psychology of Panics-Case Studies.

**Module 4: Behavioral Investing:** Style Investing-Zen Investing-Belief Bias and the Zen Investing-Value Investing-Socially Responsible Investing-Case Studies.

##### **References:**

1. Capital Markets in BRIC Economics – By A.Banerjee (Tata Mc Graw)
2. An Introduction to Capital Markets: Products and Strategies – By A Chsholm (Tata Mc Graw)
3. Behavioral Finance: Insights into Irrational Minds and markets – By J.Montier (John Wiley)
4. The Psychology of Finance: Understanding Behavioral Dynamics of Markets – By L.Tvede (John Wiley)

## **HC02: FINANCIAL MANAGEMENT**

### **1. Course Description:**

Financial management is a functional area in general management. This subject is focusing on introduction, scope and importance of financial management, investment decisions, capital structure decisions, dividend decisions and working capital management.

### **2. Course Objectives:**

Candidates will be able to understand financial management concepts and its important functions taking into account other relevant financial issues.

### **3. Pedagogy:**

Students must work out assigned individual topics, present seminars and participate in case studies or group discussions.

### **4. Course Contents:**

**Module 1: Introduction:** Meaning, Scope, and functions of Financial Management. Corporate Objectives - Profit Maximization and Wealth Maximization, their social implications. Concept of Cash Flow and Time value of money.

**Module 2: Capital Budgeting Decisions:** Appraisal criteria for capital budgeting decisions - NPV Vs IRR.- Multiple IRRs - Capital Rationing – Risk Analysis in Capital Budgeting – Measurement of Risk – Project variance – Expected NPV.

**Module 3: Capital Structure and Dividend Decision:** Capital structure theories-NI, NOI, traditional and M-M theories - Cost of Capital - Computation of cost of equity, retained earnings, preference capital and debt- weighted average cost of capital .

Dividend Decision : Determinants of dividend policy – types of dividends - dividend models – Walter’s model – Gordon’s model – Modigliani and Miller’s model .

**Module 4: Working Capital Management:** Meaning and Objectives of WC Mgt. - Management of cash - Baumol and Miller Orr Models – Mgt. of receivables – Credit Policy variables - Mgt. of Inventory – Optimal investment in Inventory – EOQ Model..

### **References:**

1. Pandey, I.M. financial Management, Vikas Publishing House, New Delhi.
2. Khan M.Y. and Jain P.K. Financial Management, Tata McGraw Hill, New Delhi.
3. Kishore, R., Financial Management, Taxmans Publishing House, New Delhi.

4. Chandra, Prasanna; Financial Management TMH, New Delhi.
5. Horn, Van; Financial management and Policy, Prentice Hall of India.
6. Brigham & Houston, Fundamentals of Financial Management, Thomson Learning, Bombay.
7. Richard Brealey and Stewart Myers, Principles of Corporate Finance, Tata McGraw Hill, 2000.
8. V K Bhalla, Financial Management and Policy: Text and Cases, Annual Publishers, 2002.

### **HC03: FINANCIAL MARKET REGULATIONS**

#### **1. Course Description:**

Financial management is a functional area in general management. This subject is focusing on introduction, scope and importance of financial management, investment decisions, capital structure decisions, dividend decisions and working capital management

#### **2. Course Objective:**

The objective of this course is to understand the framework of Indian Financial Market Regulations.

#### **3. Pedagogy:**

Method of instruction consists of lectures, group discussions, seminar presentations, writing assignments and tests. Reading and analysis of latest articles in national and international journals in the background of recent global financial crisis will be integral part of instruction.

#### **4. Course Contents:**

**Module 1: Securities and Contract Regulation Act:** SEBI – Objectives, Functions and Achievements.

**Module 2:** MRTP Act and MRTPC – FERA / FEMA.

**Module 3: Companies Act** – Important regulatory provisions governing share buy – back – inter corporate investment.

**Module 4: Depository System** – Institutions – Participants – Regulations Governing Banking Companies NBFCs and Mutual Funds - Regulations governing issue of GDRs and ADRs

#### **References:**

1. S.S. Gulshan : “A Handbook of Corporate Laws”
2. Sanjiv Agarwal : “A Manual of Indian Capital Markets”
3. V.A. Avadhani : “Marketing of Financial Services”

### **HC04: MANAGEMENT ACCOUNTING**

#### **1. Course Descriptions:**

This course provides the coverage of cost determination, Profit Planning and Decision Making, variance analysis, Computer applications in Management Accounting

#### **2. Course Objectives:** This subject aims to:

- a. Enable the student to understand the elements of Costs;
- b. Help students to know about preparation of cost sheet and process account;

- c. Impart knowledge of profit planning and decision making; and
- d. Give information about budgeting, transfer pricing and computer applications in Management accounting.

### 3. Pedagogy:

The subject matter will be presented through lecture, class discussion, student presentation, guest lectures and laboratory experiences.

### 4. Course Contents:

**Module 1: Cost Determination:** Elements of costs-Material, Labour and overheads-preparation of cost sheet- process of cost account and job order cost accounts.

**Module 2: Profit Planning and Decision Making:** Meaning and significance of Marginal costing-cost volume profit analysis-pricing policies and decisions- production and distribution decisions-direct costing and absorption costing.

**Module 3: Cost Control:** Business budgeting and budgetary control-standard costing and variance analysis, Zero base budgeting-case analysis.

**Module 4: Transfer pricing and Divisional Performance Evaluation-**Computer applications in Management Accounting- case analysis.

### References:

1. Arora M.N.: Cost Accounting- principles and practice; Vikas, New Delhi.
2. Jain S,P. and Naranga K.L.: Cost accounting; Kalyani New Delhi.
3. Anthony Robert, Reece, et al: Principle of Management accounting; Rechar D. Irwin Inc. Illinois.
4. Homgren, Charles, Foster and Datar: Cost Accounting- A managerial Emphasis; Prentice Hall of India, New Delhi.
5. Khan M.Y. and Jain P.K.: Management Accounting; Tata McGraw Hill.
6. Kaplan R.S. and Atkinson A.A.: Advanced Management Accounting; Prentice India International.
7. Tulsian P.C.: Practical Costing: Vikas, New Delhi.
8. Maheshwari S.N.: Advanced Problems and Solutions in Cost Accounting; Sultan Chand, New Delhi.

## HC05: BUSINESS RESEARCH METHODS

### 1. Course Description:

This course provides the coverage of business research methods, ethical issues in business research methods, research process, data collection methods, designing of questionnaire and various statistical tools like univariate and bivariate analysis

## 2. Course Objective:

The course is envisaged to provide the student the knowledge and skill related to conduct of research related to business. This basic course familiarizes the student with the technicalities of executing a research assignment, in particular the applied research domain.

## 3. Pedagogy:

The lecture sessions focus on providing conceptual understanding and analytical setting for select aspects of the course content. This session focuses on student involved and student driven content study. Identified groups of students make presentations and interact with both the faculty and the other students. The aspects reinforced through lecture and tutorial is taken up for practical study. Here the students would undertake field exercises related to different aspects of the course content.

## 4. Course Contents:

**Module 1: Introduction:** Objectives and Role of Business Research–Distinct Features of Business Research-Theoretical Setting for Business Research–Ethical Issues in Business Research

**Module 2: Research Process:** Developing a Research Proposal–Exploratory Research and Qualitative Analysis–Sources of Data- Methods of data collection–Techniques of Communicating with Respondents

**Module 3: Managing Research Assignment:** Questionnaire Design-Sampling and Fieldwork Techniques-Measurement and Scaling Concepts-Attitude Measurement

**Module 4: Analysis and Presentation:** Application of Univariate, Bivariate and Multivariate methods of Statistical Analysis-Methods of Business Research Report Writing–Language- Referencing-Bibliography.

## References:

1. Business Research Methods, William G. Zikmund, The Dryden Press
2. Research for Development: A Practical Guide, Sophie Laws, VISTAAR Publications
3. Methodology in Social Research, Partha Nath Mukherjee, Sage Publications

## **HC06: INTERNATIONAL FINANCIAL MANAGEMENT**

**1. Course Description:** As there has been a significant increase in multinational corporate activities; multinational finance is an added dimension of every advanced course in the area of finance. Hence this course has been designed to highlight the important finance functions of an MNC operating in India.

**2. Course Objective:** to enable students to understand the reasons, problems in internal finance management, foreign currency management, modes of payment, source of finance available etc as far as MNC operations/ firms concerned

## 3. Pedagogy:

The lecture sessions focus on providing conceptual understanding and analytical setting for select aspects of the course content. This session focuses on student involved and student driven content study. Identified groups of students make presentations and interact with both the faculty and the other students. The aspects reinforced through lecture and tutorial is taken up for practical study. Here the students would undertake field exercises related to different aspects of the course content.

#### 4. Course Contents:

- Module-1: Environment of International Financial Management-** Introduction- Multinational Enterprise and MNC financial management- Foreign Exchange Market- Determination of Exchange Rates – International Monetary System- Balance of Payments and International Economic Linkages- Parity Conditions.
- Module-2: Financing foreign operations-** International financing and International Financial Markets- Special Financing Vehicles- Designing a global financing strategy.
- Module- 3: MNC Investment- Analysis-** International Portfolio Investment- foreign Direct Investment- Capital budgeting for the MNC- The cost of capital for the foreign investments- management of political risk- International Tax Planning
- Module- 4: Foreign Exchange Risk Management-** Principles of Exposure Management- Working capital management- internal and external techniques

#### References:

1. Shapir, Multinational Financial Management, Prentice-Hall of India
2. Weston and Brigham, Managerial Finances
3. Buckley, International Capital Budgeting- Prentice- Hall, India
4. Buckley, International Finance- Prentice - Hall, India
5. Adrian Buckley, International Capital Budgeting

### **SC01: BUSINESS POLICY AND ENVIRONMENT**

**1. Course Description:** This course provides the coverage of business as a social system, internal and external environment, business ethics, social responsibility and business policy.

#### **2. Course objective:**

The objective of this course is to provide the student the knowledge about human resources, their significance and managing them in organizations.

#### **3. Pedagogy:**

Teaching method comprises of lecture sessions and tutorials. Lecture sessions focus on providing conceptual understanding and analytical setting for select aspects of the course content.

#### **4. Course Contents:**

- Module 1: Introduction:** Business in a social system; business and economic system; Business objectives; internal environment and external environment.
- Module 2: Business Ethics:** Principles of Business Ethics; Doctrine of trusteeship; unethical practices; good ethics and good business. Social responsibility of business; Doctrine of social responsibility: Rationale of social responsibility; control of monopoly and restrictive and unfair trade practices.
- Module 3: Business Environment:** Business in a social system-internal environment or business-external environment-Economic-political-socio-cultural-technological environment – case studies.

**Module 4: Business Policy:** Importance of business policy-essentials of business policy-classification or business policy-Production policy-personnel policy- Financial policy-Marketing Policy-case studies.

**References:**

1. A concept of corporate planning-, Russel Ackoff, Newyork wiley
2. Business policy and strategic management- Tokyo, McGraw hill

**SC02: STATISTICS FOR BUSINESS DECISIONS**

**1. Course Description:**

The course comprises of probability theories, sampling techniques, time series analysis and multivariate analysis.

**2. Course Objectives:**

The aim of this course is to enable a student to have knowledge about application of probability theory and sampling in different areas of commerce, time series analysis and application of multiple correlation and regression analysis.

**3. Pedagogy:**

Class room teaching of basic statistical models shall be followed by solving problems involving business applications. Assigned problems are to be worked on an individual basis, followed by group discussion of case problems.

**4. Course Contents:**

**Module 1: Probability:** Meaning, terminology, types and rules. Random variables and use of expected value in decision making. Binomial, Poisson and Normal probability distributions- their characteristics and applications in business decisions.

**Module 2: Sampling:** Meaning of sample and population. Probability and non-probability methods of sampling. Use of random digits to choose random samples. Sampling from normal and non-normal populations. The Central limit theorem. Use of sampling in business decisions

**Module 3: Time Series Analysis:** Variations in time series. Cyclical, seasonal and irregular variations. Trend analysis. Application of time series analysis in forecasting.

**Module 4: Multivariate Analysis:** Multiple regression and correlation analysis. Analysis of Variance. Application of multivariate analysis in business decisions. Using Statistical Package for Social Sciences (SPSS) to solve problems.

**References:**

1. Wonnacott and Wonnacott: "Statistics for Business and Economics" Wiley Publications
2. Wonnacott and Wonnacott: "Econometrics" Wiley Publications
3. Sanchetti and Kapoor: "Statistics"
4. Morris Hamber: "Statistical Analysis for Decision Making"

5. Richard Livin and David Robin: “Statistics for Management”

### **SC03: INSURANCE MANAGEMENT**

**1. Course Objectives:** This paper covers the information about Risk Management and the Insurance Industry, Insurance Products profile, Pricing of Insurance Products and claims management.

**2. Course objectives:**

Given the fact that a modern business is exposed to a wide range of risks, insurance management assume greater importance and as such forms an integral part of any course in finance. This paper is aimed at equipping the students with:

- (1) The basic understanding of insurance-its scope, functions and the role.
- (2) The knowledge of variety of insurance products/policies.
- (3) The basic skills of claims management
- (4) The general approach for pricing insurance products

**3. Pedagogy:**

Class room teaching of basic Funds Management concepts shall be followed by a series of individual seminar presentations, group seminars, discussions and case study analysis relating to futures, options and swaps. Assigned problems are to be worked on an individual basis, followed by group discussion of case

**4. Course Contents:**

**Module 1: Risk Management and the Insurance Industry**-Types of insurances-Functions and Organization of Insurances-Government Regulation of Risk Management and Insurance.

**Module 2: Insurance Products Profile**-Life Insurance Products-Marine Insurance Products-Fire Insurance Products-Other Major Insurance Products.

**Module 3: Pricing of Insurance Products**-Expected Claim Costs-Administrative Costs-Investment Income-Profit Loading-Rating-Role actuarial science.

**Module 4: Claims Management**-General Guidelines for Settlement of Claims-Life Insurance Claims-Marine Insurance Claims-Fire Insurance Claims-Miscellaneous Insurance Claims.

**Reference:**

1. **Kotreshwar G.:** “Risk Management-Insurance and Derivatives” Himalaya Publishing House.
2. **Harrington and Niehaus:**”Risk Management and Insurance” Tata McGraw Hill.
3. **Trieschmanu, Hoyt and Sommer:** “Risk Management” Thomson (India) Publishers.
4. **Rejda:** “Principles of Insurance and Risk Management”. Pearson Publishers

## **SC04: MERGERS AND ACQUISITIONS**

**1. Course Description:** This course provides the coverage of motives for mergers and acquisition, theories of mergers and acquisition, methods of valuation of firms, and Mergers & acquisition in India.

**2. Course objectives:** The aim of this course is to enable a student to have knowledge about mergers and acquisition in India and to know the motives behind mergers and acquisition of the firm

**Pedagogy:** Lecture-Tutorials-Practical's (LTP) model will be the basic approach used for delivering the course with a focus on case study analysis of performance of pre- merged, acquired and post merged, acquired firms

### **3. Course Contents:**

**Module 1: An overview of Mergers and Acquisitions:** Motives for and various forms of - Mergers and Acquisitions. Theories of mergers and acquisitions.

**Module 2: Methods of valuation of firms:** Approaches to valuation- Role of valuation- discounted cash flow model – equity valuation model – firm valuation model – comparable company approach- option pricing method- choosing the right valuation method.

**Module 3: Mergers and Acquisitions in India:** Recent mergers and acquisitions in India. Future scenario. Evaluation of pre merger and post merger performance of merged or acquired entities. SEBI regulations governing mergers and acquisitions in India.

**Module 4: International Mergers and Acquisitions:** Motives for various forms of international mergers and acquisitions. Regulatory issues in Cross-border Mergers and Acquisitions. Evaluation of pre merger and post merger performance of cross-border merged or acquired entities.

### **Reference Book**

2. Weston: “Mergers, Restructuring and corporate Control” –Prentice Hall India
3. Venkateshwaran,: “towards an Indian Market for Corporate Control”- Viklpa
4. Kaveri V.S: “Financial Analysis of Company Mergers in India”- Himalaya Publishing House
5. S. Shivaramu: “Corporate Growth through mergers and acquisitions” Sage publications.

## **ELECTIVE GROUPS GROUP-A AGRI-RISK MANAGEMENT PAPER-1**

### **SC05- AGRI-COMMODITY DERIVATIVES**

#### **1. Course Description**

Discovering future prices of agricultural commodities is critical to achieve the twin objectives of stability of commodity markets and remunerative prices for producers... Commodity derivatives (CDs) market is expected to play a crucial role in this respect. Hence this course is about an analysis of growth and effectiveness of commodity derivatives market in India.

#### **2. Course Objectives:**

The principal objectives of the course are to enable students:

- i) Understand and appreciate the relevance of Commodity derivatives market ,
- ii) Understand different types of commodity derivatives,
- iii) Grasp the factors influencing the growth of Commodity derivatives market in India, and
- iv) Evaluate the performance of Commodity derivatives market in India.
- v) Achieve proficiency in handling commodity and futures for hedging and accounting.

### 3. Pedagogy:

Lecture-Tutorials-Practical's (LTP) model will be the basic approach used for delivering the course with a focus on case study analysis of performance of each of the commodity exchanges at the national level. Empirical studies shall be encouraged to ascertain the role of Commodity derivatives market vis-à-vis price dynamics.

### 4. Contents:

**Module 1:** History of CDs- importance of CDs- Types of CDs- Factors influencing growth of CDM- Indian scenario.

**Module 2:** Commodity forwards and futures- Trading / settlement mechanisms- pricing and valuation- hedging with commodity futures.

**Module 3:** Commodity exchanges in India- NCDEX, MCX, NCX, etc- Performance evaluation- regulatory framework.

**Module 4:** Accounting for Derivatives- mark-to-market accounting – Hedge accounting- international standards.

### References

- i) Commodity and Financial Derivatives by Kevin S - Prentice Hall of India
- ii) Commodity Derivatives: Markets and applications [ISBN-13] By NC. Schofield [India times shopping]
- iii) Derivatives & Risk management by R. Madhunath, M Ranganathan - Pearson (India)
- iv) Derivatives & Risk management by Sundaram Janakiraman - Pearson (India)
- v) Risk management and Insurance: perspectives in a global economy- by H.D Skipper & W.J Kwon. (Mc Wile)

## **ELECTIVE GROUP – B: FUNDS MANAGEMENT**

### **PAPER-1**

#### **SC06: MUTUAL FUNDS**

### 1. Course Description:

The course is designed to provide basic knowledge about the Growth and Role of Mutual funds, Investors Protection and Regulation of Mutual funds etc.,

### 2. Course Objectives:

Mutual funds can play an important role in Indian Economy. The course aims to help the students in:

- (1) Analyze the development of Mutual funds

- (2) Understanding the extent to which Investors are Protected
- (3) Analyze the Mutual fund Regulation
- (4) Know the recent developments in Mutual fund Industry

### 3. Pedagogy:

Class room teaching of basic Funds Management concepts shall be followed by a series of individual seminar presentations, group seminars, discussions and case study analysis relating to futures, options and swaps. Assigned problems are to be worked on an individual basis, followed by group discussion of case

### 4. Course Contents:

**Module 1: Introduction:** The origin, meaning and growth of Mutual funds – Fund Units Vs shares. Types of Mutual fund schemes. The role of Mutual Funds. Organization of the Fund- Operation of the Fund – Net Asset Value.

**Module 2: Investors Protection and Mutual Fund Regulation:** Investors Rights – Facilities available to Investors – Selection of a Fund – Advantages of Mutual Funds. Deregulation, Market Imperfection and Investment Risks – The need for Regulation – Regulation and Investors Protection in India.

**Module 3: Mutual Funds in India** – UTI Schemes, SBI Mutual Fund, Other Mutual Funds – Selection of a Fund.

**Module 4: Mutual Funds Industry in India** – Its size and Growth – Types and growth patterns of Mutual Funds – Reasons for slow Growth – Prospects of Mutual Fund Industry.

### References:

1. K.G. Sahadevan and M.Thripairaju: “Mutual funds, data interpretation and Analysis” (Prentice Hall of India )
2. V.K. Avadhani: Marketing of Financial Services (Himalaya)
3. R.Gorden and Natarajan: Emerging scenario of Financial Services (Himalaya)
4. Fredman and Wiles: How Mutual Funds work (Prentice Hall of India)
5. H.Sadhak: Mutual Funds in India. (Response Books)

## ELECTIVE GROUP -C: FINNAICAL DERIVATIVES

### PAPER-1:

#### SC07: FUTURES, OPTIONS AND SWAPS

### 1. Course Description:

The course is designed to provide basic knowledge about risk management and the new instruments of capital market i.e., derivatives used for managing risk. It mainly comprises of a description of the concepts of risk management, forwards/futures, options and swaps along with the trading mechanics and pricing of these instruments.

### 2. Course Objectives:

Perhaps no course in modern finance will be complete without topics in derivatives. Derivatives can play an important role in promoting growth of CMs world over and form an integral part of knowledge base of financial managers. The course aims to help the students in:

- (1) Basic understanding of the role and significance of risk management
- (2) Critical understanding and appreciation of the role of derivative markets and instruments
- (3) Understanding the trading mechanics and technology involving derivative contracts.
- (4) Applying the basic valuation models for pricing the derivative assets.

### **3. Pedagogy:**

Class room teaching of basic derivative concepts shall be followed by a series of individual seminar presentations, group seminars, discussions and case study analysis relating to futures, options and swaps. Assigned problems are to be worked on an individual basis, followed by group discussion of case problems.

### **4. Course Contents:**

**Module 1: Risk Management** –Sources of risk - Objectives of Risk Management – Risk Management Process – Importance - Tools of Risk Management.

**Module 2: Forward and Futures:** Trading Mechanics- Margin Requirements - Winding up of futures contracts - valuation of F & F

**Module 3: Options:** Trading in Options – factors impacting Option Prices - Pricing of Options- Black Scholes Options Pricing Model-Binomial pricing model.

**Module 4: Swaps:** Evolution-Types of Swaps-Currency Swaps-Interest Rate Swaps-Designing Currency and Interest Rate Swaps-Valuation of Swaps.

### **References:**

1. Risk Management – Insurance and Derivatives – By G.Kotreshwar (HPH)
2. Financial Derivatives – By Gupta (PHI)
3. Introduction to Futures and Options Markets – By John Hull (PHI)
4. Derivatives – By D.A.Dubofsky and T.W.Miller (Oxford)
5. Futures and Options – By Edwards and Ma (Mc Graw Hill)

## **OE 01: PERSONAL FINANCIAL PLANNING**

### **1. Course Description:**

This course is designed to provide a deeper understanding of Personal Financial Management It focuses on basics of personal financial management, personal savings and investment plans, computation of return and risk factor of personal savings and investments, retirement savings plans.

### **2. Course Objectives:**

The aim of the course to provide basic principles for managing personal finance.

### **3. Pedagogy:**

Method of instruction consists of lectures, case study design and analysis, group discussions, seminar presentation, writing assignments and tests. Interaction individual investors with different profiles by age, income, sex, occupation, and region.

#### **4. Course Contents:**

**Module 1: Basics of Personal Financial Management:** The Personal Financial Planning Process, Preparation of Personal Budget, Personal Financial Statements, Personal Income Tax Planning. Case studies on personal financial planning of individuals.

**Module 2: Personal Savings & Investment:** Investment Criteria- liquidity, safety and profitability. Savings instruments of Post Office and Banks. Chit Funds. Investment in Shares, Debentures, Corporate and Government Bonds, Mutual Fund. Investment in Physical Assets – Real Estate, Gold and Silver. Risk and Return associated with these investments. Case studies on risk and return perception of retail investors on various investments.

**Module 3: Computation of Return and Risk of Personal Investment:** Present Value and Future Value of a Single Amount and an Annuity. Computation of interest, dividend and capital gains on personal investments. Impact of leverage on return. Personal tax planning,

**Module 4: Retirement Savings Plans:** Pension Plans- Defined Contribution Plan and Defined Benefit Plan. Provident Fund, Gratuity. Life Insurance Plans. General Insurance Plans. Reverse Mortgage Plans.

#### **References:**

1. Personal Finance by Jack R. Kapoor, Les R. Dlabay and Robert J. Hughes, Tat McGraw-Hill Publishing Company Ltd. New Delhi.
2. Financial Education by Reserve Bank of India – rbi.org.
3. Personal Finance columns in The Economic Times, The Business Line and Financial Express Daily News Papers.
4. Information Broachers of Post Offices, Banks, Mutual Funds, Insurance Companies
5. Internet Sources- BSE, NSE, SEBI, RBI, IRDA, AMFI etc.

### **EVEN SEMESTER**

#### **HC01: CAPITAL MARKET INSTRUMENTS**

##### **1. Course Description:**

Capital markets in recent times are flooded with new and innovative instruments enhancing vibrancy and volume of capital markets. Every advanced programme in commerce should consist of a course in analysis and evaluation of various instruments traded in capital markets today.

##### **2. Course Objectives:**

The course intended to equip students an opportunity to understand:

1. Comprehend the role of capital markets
2. Evaluate the various capital markets instruments like Stock, bonds, etc.

3. Understand the basics of new instruments like futures and options.

### **3. Pedagogy:**

Teaching method comprises of lecture sessions and tutorials. Lecture sessions focus on providing conceptual understanding and analytical setting for select aspects of the course content.

### **4. Course Contents:**

**Module 1:** Stocks – Valuation - Dividends Growth Model –Bonds and Debentures-Types-Valuation of Bonds and Debentures - Convertible Debentures –Valuation –ADRs, GDRs –Basic features – Benefits to issuing Company –ETFs- Meaning and Importance

**Module 2:** Innovations in capital markets-Derivatives - Origin, growth and Types of Derivatives – Benefits of Derivatives Market – Criticism of Derivatives

**Module 3:** Forwards and Futures – Basic features –Classification of Futures- Role of Futures Market – Newspaper Quotes - Pricing of Futures –Futures Market in India.

**Module 4:** Options- Types of options contracts – Newspaper Quotes - Options payoff Diagrams- Options Market in India –Swaps –Meaning – Currency swaps –Interest Rate Swaps

### **References:**

1. Risk Management – Insurance and Derivatives – By G.Kotreshwar (HPH)
2. Financial Derivatives – By Gupta (PHI)
3. Introduction to Futures and Options Markets – By John Hull (PHI)
4. Derivatives – By D.A.Dubofsky and T.W.Miller (Oxford)
5. Futures and Options – By Edwards and Ma

## **HC02: CORPORATE TAX LAW AND PLANNING**

### **1. Course Description:**

This course is focus on different heads of income, taxable in the hands of companies, computation of gross total income, deduction, exemptions, set off and carry forward of loss. Tax planning relating to various managerial decisions for reducing the tax burden, allocation of investments, and maximize the company wealth. As a tax consultant of the corporate tax laws of the company to give advice to the drawing officers regarding TDS, advance payment of tax and remittances of tax, for his employees.

### **2. Course Objectives:**

After study this paper the students are able to interact with the followings:

1. Understand the incidence of based on residential status of the companies.

2. Understand the deferent types of companies under corporate income tax act.
3. To know the deferent sources of income for corporate assesses.
4. To educate as a manger of a company/as tax consultant how reduce the tax burden and maximize the company wealth.
5. Understand the impudence of tax planning with various managerial decisions.
6. They must be able understand his role as tax consultant for a company relating TDS, Advance payment of Tax, remittance of corporate income tax.

### 3. Pedagogy:

The course content is covered class room lecture, remedial class for non tax students, student's seminar, case discussion, and work out the problem on the company problems as student, as consultant and as a tax authority and also visiting company and tax office for practical exposure.

### 4. Course Contents:

**Module 1: Definition of company-**Indian company, Domestic Company, Foreign Company, Widely Held Company, Closely held company, Residential Status of a company and incidence of Tax.

**Module 2: Computation of Taxable income and liability of companies-** Computation of table income under different heads of income-House property, Profit and gain from business or profession, Capital gain and income other sources, carry forward and set off of losses in case of companies. Deduction from Gross Total income. Minimum Alternative Tax.

**Module 3: Tax Planning- Tax avoidance and tax evasion.** Tax planning with corporate dividend, Dividend policy- bonus shares. Tax planning with reference to specific managerial decisions- Make or Buy, Own or Lease, Purchase by installment or by Hire, Repair, Replace, Renewal or Renovation, shout down or continue.

**Module 4: International Taxation:** Diversity in taxation among countries. Factors affecting Double taxation. Unilateral and bilateral reliefs for double taxation. Double Taxation Avoidance Agreements.

### References:

1. Direct Taxes-Dr.H.C. Mehrotra and Dr.S.P.Goyal Sahitya Bhavn New Delhi.
2. Direct Taxes law and practice-Bhagavathi Prasad, Vishva Prakashana, New Delhi.
3. Direct Taxes Aggarval P.K "Tax Planning for Companies" Hind Law Publishers, New Delhi.
4. Corporate Tax Planning and Management, Lakhotia, Vision Publishers.

Taxman's Direct Tax Laws and Practice, Dr.Vinod K Singhania and Kapil Singania Taxman's Publications(p)Ltd., New Delhi.

## HC03: PORTFOLIO MANAGEMENT

### 1. Course Description:

Portfolio analysis and management is a course in financial management. This includes portfolio investment analysis, risk analysis and optimal combinations of securities which lead to create effective return on investment.

## 2. Course objectives:

Candidates will be able to apply appropriate portfolio decisions and recommend relevant methods of evaluation techniques taking into account other factors affecting investment decisions.

## 3. Pedagogy:

Students must work out assigned individual topics, present seminars and participate in case studies or group discussions.

## 4. Course contents:

**Module 1: Efficient Market Hypothesis** - Random walk, Levels of efficiency – Weak, semi-strong and strong, Techniques for measuring efficiency, Empirical tests. Portfolio analysis, Markowitz risks return optimization

**Module 2: Economic Analysis** - Economic and industry analysis - Economic forecasting and stock investment decisions - Industry analysis - Industry lifecycle - Company analysis- Forecasting company earnings - Valuation of companies - Regression and correlation analysis in forecasting revenues and expenses - Applied stock valuation –Bond analysis and valuation.

**Module 3: Portfolio Analysis** – Theory and Practices – Risk Analysis – Types of Risks – Risk Management –Diversification of risk – Analysis of risk – Building a balanced portfolio. Characteristics of portfolio – Principles and Practices – Characteristics of Portfolio Analysis – Liquidity Vs. Safety – Income Vs. growth – Short Term and Long Term – Risk Vs. Return – Need for insuring risk to attract stable investors.

**Module 4: Portfolio Performance Evaluation** - Mutual funds - Geometric mean return - Sharpe, Treynor and Jensen's performance measures - Optimal portfolio selection – importance of computer data analysis of security analysis and portfolio analysis

## References:

1. Portfolio Analysis and Management – Ballad
2. Modern Portfolio Theory and Investment Analysis – Edwin J. Elton and Martin J.Grubor.
3. Security Analysis and Portfolio Management – Fisher and Gordon
4. Security Analysis and Portfolio Management – V. A. Avdhani
5. Financial Engineering: A complete guide to financial innovation – Marshal / Bansal

## **HC04: ADVANCED PORTFOLIO MANAGEMENT**

### 1. Course Description:

The course is designed to include some advanced topics in portfolio management like international diversification through GDRs/ADRs and derivative assets, invests in emerging markets; and other emerging topics, mainly tactical asset allocation, (TAA) programme trading and stock lending.

### 2. Course Objectives:

In the background of globalization of capital markets, international diversification assumes greater importance as a principle of portfolio management. Therefore, this course is intended to upgrade the student's knowledge and skills by

- (1) Understanding the scope and importance of international diversification for achieving better risk-return profile of portfolio investments.
- (2) Analyzing the latest technology based on tools like TAA, programming trading etc.

### **3. Pedagogy:**

Method of instruction consists of lectures, group discussions, seminar presentations, writing assignments and tests. Reading and analysis of latest articles in national and international journals in the background of recent global financial developments will be integral part of instruction.

### **4. Course Contents**

- Module 1:** International Investment – International Diversification – GDRs & ADRs – International Mutual Funds.
- Module 2:** Investments in Emerging Markets – Foreign Exchange Risk – Political Risk.
- Module 3:** Integrating Derivative Assets and Portfolio Management – Role of Derivative assets – Portfolio objectives and construction – Hedging company risk – fixed income portfolio.
- Module 4:** Tactical Asset Allocation – Stock Lending – Program

### **References:**

1. Portfolio Analysis and Management – Ballad
2. Modern Portfolio Theory and Investment Analysis – Edwin J. Elton and Martin J. Grubor.
3. Security Analysis and Portfolio Management – Fisher and Gordon
4. Security Analysis and Portfolio Management – V. A. Avdhani
5. Financial Engineering: A complete guide to financial innovation – Marshal / Bansal
6. Portfolio construction Management and protection (with stock track caupon)- Robert A Strong

## **HC05 OPERATIONS RESEARCH**

**1. Course Description:** The course Operations Research covers linear and integer programming , transportation and assignment problems and their applications in decision making in business.

**2. Course Objective:** The objective of the course is to acquaint the students with the use of quantitative models in decision making.

**3. Pedagogy:** The lecture sessions focus on providing conceptual understanding and solving problems of the course content. Students would make presentations and interact with both the faculty and the other students during tutorial sessions.

#### **4. Course Contents:**

**Module-1: Introduction to Operations Research:** Origin and Definitions of Operations Research. Characteristics of O.R. approach. Models and modeling in Operations Research. Applications of Operations Research in solving business problems.

**Module-2: Linear Programming:** Meaning and mathematical formulation of linear programming problems and their solution using graphic and simplex methods. Duality and dual simplex method. Sensitivity analysis Application areas of Linear Programming. Graphic method. Simplex method. Problems and Case Study Analysis

**Module- 3: Integer Programming:** Meaning and mathematical formulation of integer programming problems and their solution using the Branch and Bound method for solving pure and mixed integer programming problems. Application areas of Integer Programming. Problems and Case Study Analysis.

**Module- 4: Transportation and Assignment Problems:** Meaning and mathematical formulation of transportation and assignment problems and their solution using models. Problems and Case Study Analysis.

#### **References:**

1. Operations Research by Frederick S Hillier and Gerald J Lieberman, Tata McGraw- Hill Publishing Company Limited, New Delhi.
2. Operations Research- Theory and Applications by J.K.Sharma, Macmillian India Ltd. New Delhi.1997.
3. Operations Research – Applications and Algorithms by Wayne L. Winston, Thomson Learning, New Delhi.
4. Operations Reserch by Panneeraselvam, Prentice Hall of India, New Delhi.
5. Practical Problems in Operations Research by Chawla, Gupta and Sharma, Kalyani Publisers. New Delhi.
6. Principles of Operations Research with applications to Managerial Decisions by Harvey M.Wagner, Prentice Hall of India.

### **SC01: COMPUTER APPLICATIONS IN COMMERCE**

#### **1. Course Description:**

This course is designed to provide knowledge and skills in computer applications in commerce. It focuses on computer applications in Accounting, Finance, Taxation, Statistics and Operations Research.

#### **2. Course Objectives:**

The objective of the course is to enable to students to understand online trading, online banking, online submission of income tax and indirect tax returns. Tally and XBRL applications in Accounting. SPSS applications in statistical analysis.

### **3. Pedagogy:**

Lectures, assignments, presentation, case analysis, online demonstrations and computer practicals.

### **4. Course Contents:**

**Module 1: Computer Applications in Financial Accounting:** Features of Tally ERP.9. Setting up a new company and creating Masters in Tally.ERP9. Data Management, security levels and controls. Technological advantages of Tally.ERP9. Evolution and features of eXtensible Business Reporting Language (XBRL). XBRL Taxonomy of Ministry of Corporate Affairs. Filling of Financial statements using XBRL Software.

**Module 2: Computer Applications in Financial Management and Taxation:** Using MS Excel to solve financial management problems- Present Value, Future Value, NPV etc. Online Trading of Securities. Online Banking. Filing of Online Application for PAN and TAN. Online submission of Income Tax Returns and TDS Return. E-filing of indirect taxes return.

**Module 3: Computer Applications in Statistical Analysis :** Features of SPSS. Creating files and data entry in SPSS. Preparation of frequency tables and graphs. Computation and interpretation of Mean, Standard Deviation, Standard Error, Simple and multiple correlation, regression. Analysis of variance. t-Test, Chi-Square Test.

**Module 4: Computer Applications in Operations Research:** Mathematical formulation of Linear Programming and Integer Programming problems and solving them using computer software.

### **Computer Lab Practicals:**

1. Computation of Present value, future value, Net Present Value using MS Excel.
2. Filing of online application for PAN, TAN.
3. Online submission of Income Tax Returns and Indirect Tax Returns.
4. Online Banking
5. Online Trading.
6. Completing accounting cycle using Tally ERP 9.
7. Online submission of Financial Statements using XBRL
8. Computation of descriptive statistics, correlation, regression using SPSS.
9. Solving Linear Programming and Integer Programming problems.

### **References:**

1. Tally.ERP 9 Essentials, 2009, Tally Solutions Pvt. Ltd.
2. [www.xbrl.org](http://www.xbrl.org).
3. [www.iasb.org](http://www.iasb.org).

4. [www.spss.org](http://www.spss.org)
5. [www.rbi.org](http://www.rbi.org).
6. [www.incometax.india.gov.in](http://www.incometax.india.gov.in).
7. [www.xbrl.icaai.org](http://www.xbrl.icaai.org).
8. [www.mca.gov.in](http://www.mca.gov.in)
9. [www.icaai.org](http://www.icaai.org).
10. [www.bse.org](http://www.bse.org). [nse.org](http://nse.org). [sebi.org](http://sebi.org).

## **SC02: MANAGEMENT OF FINANCIAL SERVICES**

### **1. Course Description:**

This course is all about Financial Services industry analysis, trends, globalization and government policy. It also includes an analysis of future of Financial Services, particularly in respect of investment banking, micro-finance/insurance and angel investing.

### **2. Course Objectives:**

The course aims at helping the students to:

1. Understand and appreciate the role of financial services industry.
2. Grasp the trends in financial services industry particularly the impact of globalization of Financial Services.
2. Gain an insight into the future of Financial Services industry. Teaching Methodology

A brief introduction of issues underlying Financial Services industry, the trends, globalization, etc. will be followed by a series of individual seminar, presentations, group seminars, discussions and case study analysis relating to IB, MF / MI and angel investing

### **3. Pedagogy:**

Students must work out assigned individual topics, present seminars and participate in case studies or group discussions.

### **4. Course Contents:**

- Module 1:** **Concept and Scope of Financial Services** – marketing of financial services – problems and prospects of financial services industry in India.
- Module 2:** **Globalization of Financial Services** – GATS – Functions and the Role of GATS – Evaluation of Government’s policy towards globalization.
- Module 3:** **An Overview of Trends in Financial Services in India** – Lease Financing – IPO Management – Venture Capital – Credit Rating –Portfolio Management Services.
- Module 4:** **Future of Financial Services Industry** – Micro Finance/Insurance – Angel investing – Investment Banking.

### **References:**

1. Financial Markets and Institutions – By Bhole.L.M. (Tata McGraw Hill)
2. Indian Financial System – Theory and Practice – By Khan M.V (Vikas Publishing)

3. Financial Management and Control – By Chakraborty S.K (Mc Milan)
4. New Issues Markets By Khan M.Y (Allied Publishers)
5. Emerging Scenario of Financial Services – By Gordon & Natarajan (Himalaya Publishing House)
6. Financial Services in India - By M.A. Kohok (Himalaya Publishing House)
7. Management of Financial Services – By Avadhani (Himalaya Publishing House)

### **SC03: INTERNATIONAL ACCOUNTING**

#### **1. Course Description:**

This course is designed to provide a deeper understanding of international accounting issues related to global financial reporting. It focuses on major diversities and challenges of financial reporting in the global arena, harmonization and international financial reporting standards. It also covers accounting for foreign currency transactions and major translation methods. It focuses on main issues in international financial statement analysis.

#### **2. Course Objectives:**

The aim of this course to provide knowledge and skills to the students on areas of accounting at international level and to bring attitudinal changes to meet challenges and issues of international accounting.

#### **3. Pedagogy:**

Method of instruction consists of lectures, analysis of international financial statements, group discussions, seminar presentations, writing assignments and tests. Reading and analysis of annual reports of multi-national organisations will be integral part of instruction.

#### **4. Course Contents:**

- Module 1: International Financial Reporting:** Definition and scope of international accounting. Main causes of diversity in international financial reporting. International Accounting Harmonization and Standardization. Role of IASB, IFAC, IOSCO, and U.N. International Financial Reporting Standards. IFRS adoption or convergence in countries around the world. Case study analysis.
- Module 2: Accounting for Foreign Exchange Rate Fluctuations:** An overview of foreign currency markets and exchange rates. Accounting for spot and forward foreign currency transactions. Foreign currency translation methods- current rate method, current/non-current method, monetary/non-monetary method and temporal method. IFRS on foreign currency exchange accounting. Problems and Case study analysis.
- Module 3: International Transfer Pricing:** Evolution, meaning and objectives of transfer pricing. Major stakeholders affected by transfer pricing policies. Transfer pricing methods. Problems and Case study analysis.
- Module 4: XBRL for International Financial Reporting:** Framework of eXtensible Business Reporting Language (XBRL). IFRS Taxonomy. Role of XBRL International in adoption of XBRL in different countries around the world. XBRL adoption in India. Case study analysis.

**References:**

1. International Accounting by Shirin Rathore, Prentice-Hall of India, New Delhi
2. Comparative International Accounting by Christopher Nubs and Robert Parker, Pearson Education Asia, New Delhi.
3. International Accounting: A User Perspective by Shahrokh M. Saudagaran, South-Western Thomson Learning, Australia.
4. International Accounting by A.K.Das Mohapatra, Prentice-Hall of India, New Delhi
5. The Analysis and use of Financial Statements by Gerlad I.White, Ashwinipaul C.Sondhi and Dov Fried, John Wiley, New York.
6. The Economic Times, The Business Line and Financial Express daily papers.
7. Journals on International Accounting.
8. Internet Sources; [www.iasb.org](http://www.iasb.org). [www.worldbank.org](http://www.worldbank.org). [www.unctad.org](http://www.unctad.org). etc.,.
9. X brl.org

**SC04: MANAGEMENT INFORMATION SYSTEM****Course Description:**

Providing for right communication at right point of time to a right party in the hierarchy is a challenge. MIS is designed and installed in every big organization exclusively to meet this challenge. Hence, this course is an essential component of the overall managerial studies in commerce/Management degree programs.

**Course Objectives:**

The MIS course is designed to help students comprehend:

1. Building blocks of MIS
2. The role of MIS in the effective functioning of an organization
3. The basic principles of MIS
4. Cost-Benefits analysis of Communication flow
5. The need for harnessing IT for effective MIS.

**Pedagogy:**

Teaching method comprises of lecture sessions and tutorials. Lecture sessions focus on providing conceptual understanding and analytical setting for select aspects of the course content.

**Contents :**

**MODULE-1:** Management Information Systems - Need, Purpose and Objectives - Contemporary Approaches to MIS - Information as a strategic resource - Use of information for competitive advantage - MIS as an instrument for the organizational change

**MODULE-2:** Information, Management and Decision Making - Models of Decision Making - Classical, Administrative and Herbert Simon's Models - Attributes of information and its relevance to Decision Making - Types of information

**MODULE-3:** Information Technology - Definition, IT Capabilities and their organizational impact - Telecommunication and Networks - Types and Topologies of Networks - IT enabled services such as Call Centers, Geographical Information Systems etc. Decision Support Systems - Group Decision Support Systems - Executive Information Systems - Executive Support Systems - Expert Systems and Knowledge Based Expert Systems - Artificial Intelligence

**MODULE-4:** Management Issues in MIS - Information Security and Control - Quality Assurance - Ethical and Social Dimensions - Intellectual Property Rights as related to IT Services / IT Products - Managing Global Information Systems

### **Books Recommended**

1. Management Information Systems, Laudon and Laudon, 7th Edition, Pearson Education Asia
2. Management Information Systems, Jawadekar, Tata McGraw Hill
3. Management Information Systems, Davis and Olson, Tata McGraw Hill
4. Analysis and Design of Information Systems, Rajaraman, Prentice Hall
5. Decision Support Systems and Intelligent Systems, Turban and Aronson, Pearson Education Asia
6. Management Information Systems, Schulthesis, Tata McGraw Hill
7. Management Information Systems - Sadagopan, Prentice Hall
8. Management Information Systems - Jayant Oke

### **SC05: PROJECT WORK**

Project Work would be commenced from the beginning of the fourth semester. Work load for Project Work guidance is 1 hour per batch of 6 students per week. Allotment of Guides shall be made in the beginning of the third semester. Students should select the topic in consultation with the guide during the third semester and complete the project in fourth semester.

### **ELECTIVE GROUPS**

#### **GROUP A: AGRI-RISK MANAGEMENT**

#### **PAPER-2**

#### **SC06: WEATHER RISK MANAGEMENT**

##### **1. Course Description:**

Extreme weather events, particularly monsoon outcome, represent a major source of risk adversely impacting the agro-based Indian economy. Recent developments in insurance and risk markets provide ample opportunities for absorbing frequently occurring weather shocks, particularly monsoon. Hence, this course is designed to capture the evolution and essence of weather risk markets with special reference to Indian economy.

## 2. Course Objectives:

The aim of the course is to enable students:

- (i) Understand and appreciate the relevance of weather risk and insurance markets.
- (ii) Understand different types of insurance products and other SPVs (special purpose vehicles) designed for absorbing weather risk.
- (iii) Achieve proficiency in evaluating the weather risk profile across 36 meteorological sub divisions of Indian subcontinent.
- (iv) Acclimatize with the securitization of weather risk and design innovative financial instruments for trading in weather risk markets.

## 3. Pedagogy:

LTP model will be the basic approach used for delivering the course with a focus on review of research articles published in leading journals at national/ international level relating to WR insurance and other SPVs. The students would be required to evaluate the risk profile of Indian Monsoon on the basis of empirical research.

## 4. Contents:

**Module 1: Weather Risk-** introduction-sources of Weather Risk - enterprises subject to Weather Risk - History of Weather Risk markets- OTC products- Exchange traded products.

**Module 2: Rainfall Based Index Insurance-**introduction – growth of index insurance-institutions engaged in index insurance – BASIX, NAIC, etc- Merits and limitations of index insurance - Latest developments.

**Module 3: Rainfall Risk:** Analysis of rainfall risk profile across meteorological sub- divisions of India- Analysis of impact of monsoon on agricultural and allied sector.

**Module 4: Securitization of Weather Risk-** SPVs- Design and Development of derivatives-rainfall based index futures and options- hedging opportunities- speculation in monsoon outcome – regulatory framework.

## 5. Reference Books/Journals/Websites:

- i) Weather Risk Management: A South African market perspective by C.B Thomson (unpublished)
- ii) **Journals:** Environmental Finance  
Risk Finance  
Risk  
Financial Derivatives  
Global Reinsurance.
- iii) **Websites:**  
[www.WRMA.org](http://www.WRMA.org), [www.cme.org](http://www.cme.org) ,[www.repec.idea](http://www.repec.idea) , [www.wradvisory.com](http://www.wradvisory.com)  
[www.chicagoclimateexchange.org](http://www.chicagoclimateexchange.org)

### **ELECTIVE GROUP B: FUND MANAGEMENT**

#### **PAPER-2**

#### **SC07: FUNDS INVESTMENT STRATEGIES**

### **1. Course Description:**

The course is designed to provide basic knowledge about the Fund Management, Investment Pattern of Mutual funds, Efficient Markets and Index Funds etc.,

### **2. Course Objectives:**

Funds investment strategies can play an important role in analyzing a fund and its management. The course aims to help the students in:

- (1) Critical analysis of risk funds
- (2) Understanding the performance of Mutual funds
- (3) Analyze the internationally Oriented portfolios
- (4) Know the recent developments in management of funds

### **3. Pedagogy:**

Class room teaching of basic Funds Management concepts shall be followed by a series of individual seminar presentations, group seminars, discussions and case study analysis relating to futures, options and swaps. Assigned problems are to be worked on an individual basis, followed by group discussion of case

### **4. Course Contents:**

**Module 1: Fund Management**-Analyzing a Fund and its Management – A careful look at Risk – sorting out costs

**Module 2: Investment Pattern of Mutual Funds** – Evaluation of performance of Mutual funds

**Module 3: Working of Fixed Income securities** –Bond funds –Tax exempt Bonds - How to analyze a Bond Fund –Equity fund categories –Building wealth with stock funds

**Module 4: Index Funds** – Efficient Markets and Index Funds – Internationally Oriented portfolios. Recent developments in Management of Funds and determination of portfolios of securities by Mutual Funds.

### **References:**

1. K.G. Sahadevan and M.Thripairaju: “Mutual funds, data interpretation and Analysis” (Prentice Hall of India )
2. V.K. Avadhani: Marketing of Financial Services (Himalaya)
3. R.Gorden and Natarajan: Emerging scenario of Financial Services (Himalaya)
4. Fredman and Wiles: How Mutual Funds work (Prentice Hall of India)

## **ELECTIVE GROUP C – FINANCIAL DERIVATIVES**

### **PAPER: 2**

### **SC08: FINANCIAL DERIVATIVES AS HEDGING TOOLS**

### **1. Course Description:**

It is an advanced course in financial derivatives which includes hedging strategies using financial derivatives.

## 2. Course Objectives:

The very purpose of trading in financial derivatives is to hedge a wide range of risks faced by a business, particularly interest rate risk, currency risk and equity investment risk. The course aims at enabling the student to:

- 1) Apply the hedge ratio for achieving optimal no. of derivatives contracts.
- 2) Evaluate hedging opportunities.
- 3) Understand and apply a wide range of commonly used hedging.

## 3. Pedagogy:

Class room teaching of basic hedging concepts and strategies shall be followed by a series of individual seminar presentations, group seminars, discussions and case study analysis relating to hedging strategies involving derivatives. Assigned problems are to be worked on an individual basis, followed by group discussion of case problems. The students shall be required to make individual case study presentations based on the typical problems faced by business organizations due to volatility in interest/ currency rates.

## 4. Course Contents:

**Module 1: Using Forwards for Hedging:** forwards to manage commodity price risk- buying forwards for hedging against price increases – selling forwards for hedging against price declines- using forwards for hedging against increase/ decrease in interest rate - using forward Foreign Exchange contracts to manage currency risk

**Module 2: Using Futures for Hedging:** short hedges- long hedges- hedge ratio- estimating hedge ratio- basis risk- portfolio approach to a risk minimizing hedge

**Module 3: Using Options for Hedging:** protective puts- protective calls- covered calls- spreads- using options to manage interest rate risk

**Module 4: Using Swaps for Hedging:** using IR swaps- swapping to hedge against the risk of rising interest rates- swapping to hedge against the risk of falling interest rates- using currency swaps – swapping to hedge against the risk of a decline in a revenue stream – swapping to hedge against the risk of an increase in cost.

## References:

1. Risk Management – Insurance and Derivatives – By G.Kotreshwar (HPH)
2. Introduction to Futures and Options Markets – By John Hull (PHI)
3. Derivatives – By D.A.Dubofsky and T.W.Miller (Oxford)
4. Futures and Options – By Edwards and Ma (Mc Graw Hill)

## OPEN ELECTIVES

### OE 01: RETAIL BANKING

#### 1. Course Description:

This course is designed to provide a basic understanding of Personal Banking. It focuses on functions of banks, banker and customer relationship, Opening of bank accounts and their operations, bank deposits and loans and banking technology.

#### 2. Course Objectives:

The aim of this course is to acquire knowledge various functions associated with banking, principles and practices/procedures relating to deposits and loans, and banking technology.

### 3. Pedagogy:

Method of instruction consists of lectures, case study design and analysis, group discussions, seminar presentation, writing assignments and tests. Interaction with customers of banks, managers and employees of banks

### 4. Course Contents:

**Module 1: Functions of Banks:** Functions of Reserve Bank of India, Commercial Banks, Private Sector Banks, and Grameena Banks.

**Module 2: Banker and Customer Relationship:** Know your Customer [KYC] guidelines- Opening of different bank accounts and procedures for their operations.

**Module 3: Bank Deposits and Loans:** Different Deposit and Loan Products of Banks, Rate of Interest- Fixed and Floating, Documentation Procedures.

**Module 4: Banking Technology:** Electronic Banking, Core Banking Technology, Debit and Credit Cards, ATMs.

### References:

1. Machiraju, H.R., Indian Financial System, Vikas, New Delhi.
2. Verma, J.C. Merchant Banking, TMH, New Delhi.
3. Mithani and Gordeon, Banking Theory and Practice, Himalaya, Bombay.
4. Bhole, L.B., Financial Institutions and Markets, TMH, New Delhi.

## OE 02: FINANCIAL ACCOUNTING

### 1. Course Description:

This course is designed to provide a basic understanding of financial accounting. It focuses on financial accounting concepts, principles, and procedures. Specific attention is devoted to preparation

### 2. Course Objectives:

The aim of this course is to acquire knowledge about accounting, accounting cycle and Preparation of Financial Statements

### 3. Pedagogy:

Method of instruction consists of lectures, case study design and analysis, group discussions, seminar presentation, writing assignments and tests. Reading and analysis of annual reports of various business organizations.

### 4. Course Contents:

**Module 1: Introduction:** Meaning and purpose of financial accounting. Information needs of users. Basic principles and concepts of accounting.

**Module 2: The Accounting Cycle-1:** Analysis of business transactions, recording journal entries in the Journal, posting journal entries into the Ledger.

**Module 3: The Accounting Cycle-1:** Preparation of Unadjusted Trail Balance, recording adjustment and closing entries, and preparation of adjusted trail balance.

**Module 4: Final Accounts:** Preparation of Financial Statements- Profit and Loss Account, Balance Sheet.

**References:**

1. Financial Accounting by Narayana Swamy, Prentice-Hall of India
2. Accounting: Text and Cases by Robert N. Anthony, McGraw-Hill.