

**MBA (FINANCE)***(Course code – 37)***CURRICULUM****1<sup>st</sup> YEAR - I SEMESTER**

Sl.No.	Code	Course Title
1	MBCP 1001	Management Concepts
2	MBCP 1002	Managerial Economics
3	MBCP 1003	Accounting for Managers
4	MBCP 1004	Business Environment
5	MBCP 1005	Research Methodology
6	MBCP 1006	Organisational Behaviour
7	MBCP 1007	Business Law

**1<sup>st</sup> YEAR - II SEMESTER**

1	MBCP 2001	Financial Management
2	MBCP 2002	Marketing Management
3	MBCP 2003	Human Resources Management
4	MBCP 2004	Operations Research
5	MBCP 2005	Strategic Management
6	MBCP 2006	Business Ethics
7	MBCP 2007	Operations Management

**2<sup>nd</sup> YEAR - III SEMESTER**

1	MBFM 3001	Strategic Financial Management
2	MBFM 3002	Banking and Indian Financial System
3	MBFM 3003	Merchant Banking and Financial Services
4	MBFM 3004	Project Management
5	MBFM 3005	Management Accounting
6	Elective – I (Syllabus will be updated soon)	
7	Elective – II (Syllabus will be updated soon)	

**2<sup>nd</sup> YEAR - IV SEMESTER**

1	MBFM 4001	Investment and Portfolio Management
2	MBFM 4002	Global Financial Management
3	MBFM 4003	International Trade and Finance
4	MBFM 4004	Security Market Operations
5	MBFM 4005	Financial Derivatives
6	MBFM 4006	<b>Project Work</b>
7	Elective – III (Syllabus will be updated soon)	
8	Elective – IV (Syllabus will be updated soon)	

PAPER: I

**MANAGEMENT CONCEPTS**

**Objectives**

- Providing conceptual understanding of Management Concepts
- Familiarizing the students with the contemporary issues in Management
- Enable them to apply the concepts in the management organization

**UNIT - I**

Introduction to Management - Nature and Functions of Management - Levels in Management - Social Responsibilities of Business - Managerial Skills – Manager and Environment - An Overview of Staffing, Directing and Controlling Functions

**UNIT – II**

Planning - Steps in Planning Process - Short Range and Long Range Planning - Flexibility in Planning - Characteristics of a sound Plan - Management by Objectives (MBO) - Policies and Strategies - Scope and Formulation- Decision Making - Techniques and Processes.

**UNIT – III**

Organising - Organisation Structure and Design - Delegation of Authority and Decentralisation – Line and Staff Relationships - Emerging Trends in Corporate Structure, Strategy and Culture - Impact of Technology on Organisational design - Formal and Informal Organisation.

**UNIT – IV**

Communication – Types and Process of Communication - Barriers of Communication - Communication Effectiveness - Organisational Creativity and Innovation Entrepreneurial Management - Management of Innovation

**UNIT – V**

Comparative Management Styles and approaches - Best Management Practices across the world - Japanese Management Practices - Management of Diversity - Benchmarking

**References:**

**Koontz, Weirich & Aryasri**, PRINCIPLES OF MANAGEMENT, *Tata McGraw-Hill, New Delhi, 2004*

**Tripathi & Reddy**, PRINCIPLES OF MANAGEMENT, *Tata McGraw-Hill, New Delhi, 2008*

**Laurie Mullins**, MANAGEMENT AND ORGANISATIONAL BEHAVIOUR, *Pearson, New Delhi, 2007*

**Meenakshi Gupta**, PRINCIPLES OF MANAGEMENT, *PHI Learning, New Delhi, 2009*

**PAPER – II**  
**MANAGERIAL ECONOMICS**

**Objectives**

- To introduce the economic concepts
- To familiarize with the students the importance of economic approaches in managerial decision making
- To understand the applications of economic theories in business decisions

**UNIT – I**

General Foundations of Managerial Economics - Economic Approach - Circular Flow of Activity - Nature of the Firm - Objectives of Firms - Demand Analysis and Estimation - Individual, Market and Firm demand - Determinants of demand - Elasticity measures and Business Decision Making - Demand Forecasting.

**UNIT-II**

Law of Variable Proportions - Theory of the Firm - Production Functions in the Short and Long Run - Cost Functions – Determinants of Costs – Cost Forecasting - Short Run and Long Run Costs –Type of Costs - Analysis of Risk and Uncertainty.

**UNIT-III**

Product Markets -Determination Under Different Markets - Market Structure – Perfect Competition – Monopoly – Monopolistic Competition – Duopoly - Oligopoly - Pricing and Employment of Inputs Under Different Market Structures – Price Discrimination - Degrees of Price Discrimination.

**UNIT-IV**

Introduction to National Income – National Income Concepts - Models of National Income Determination - Economic Indicators - Technology and Employment - Issues and Challenges – Business Cycles – Phases – Management of Cyclical Fluctuations - Fiscal and Monetary Policies.

**UNIT – V**

Macro Economic Environment - Economic Transition in India - A quick Review - Liberalization, Privatization and Globalization - Business and Government - Public-Private Participation (PPP) - Industrial Finance - Foreign Direct Investment(FDIs).

**REFERENCES**

**Yogesh Maheswari**, MANAGERIAL ECONOMICS, *PHI Learning, NewDelhi, 2005*  
**Gupta G.S.**, MANAGERIAL ECONOMICS, *Tata McGraw-Hill, New Delhi*  
**Moyer & Harris**, MANAGERIAL ECONOMICS, *Cengage Learning, NewDelhi, 2005*  
**Geetika, Ghosh & Choudhury**, , MANAGERIAL ECONOMICS, *Tata McGrawHill, NewDelhi, 2011*

**PAPER –III**  
**ACCOUNTING FOR MANAGERS**

**Objectives**

- To acquaint the students with the fundamentals principles of Financial, Cost and Management Accounting
- To enable the students to prepare, Analyse and Interpret Financial Statements and
- To enable the students to take decisions using Management Accounting Tools.

**UNIT-I**

Book-keeping and Accounting – Financial Accounting – Concepts and Conventions – Double Entry System – Preparation of Journal, Ledger and Trial Balance – Preparation of Final Accounts – Trading, Profit and Loss Account and Balance Sheet with adjustment entries, simple problems only - Capital and Revenue Expenditure and Receipts.

**UNIT-II**

Depreciation – Causes – Methods of Calculating Depreciation – Straight Line Method, Diminishing Balance Method and Annuity Method - Ratio Analysis – Uses and Limitations – Classification of Ratios – Liquidity, Profitability, Financial and Turnover Ratios – Simple problems only.

**UNIT-III**

Funds Flow Analysis – Funds From Operation, Sources and Uses of Funds, Preparation of Schedule of Changes in Working Capital and Funds Flow Statements – Uses and Limitations - Cash Flow Analysis – Cash From Operation – Preparation of Cash Flow Statement – Uses and Limitations – Distinction between Funds flow and Cash Flow – only simple problems

**UNIT-IV**

Marginal Costing - Marginal cost and Marginal costing - Importance - Break-even Analysis - Cost Volume Profit Relationship – Application of Marginal Costing Techniques, Fixing Selling Price, Make or Buy, Accepting a foreign order, Deciding sales mix.

**UNIT-V**

Cost Accounting - Elements of Cost - Types of Costs - Preparation of Cost Sheet – Standard Costing – Variance Analysis – Material Variances – Labour Variances – simple problems related to Material and Labour Variances only

**[Note: Distribution of Questions between Problems and Theory of this paper must be 60:40 i.e., Problem Questions: 60 % & Theory Questions: 40 %]**

**REFERENCES**

**Jelsy Josheph Kuppapally**, ACCOUNTING FOR MANAGERS, *PHI, Delhi, 2010.*

**Paresh shah**, BASIC ACCOUNTING FOR MANAGERS, *Oxford, Delhi, 2007*

**Ambrish Gupta**, FINANCIAL ACCOUNTING FOR MANAGEMENT, *Pearson, Delhi, 2004*

**Narayanaswamy R**, FINANCIAL ACCOUNTING , *PHI, Delhi, 2011*

PAPER: IV

**BUSINESS ENVIRONMENT**

**Objectives**

- To acquaint students with the issues of domestic and global environment in which business has to operate
- To understand the opportunity and challenges of global business environment
- To relate the Impact of Environment on Business in an integrated manner
- To provide an understanding of the role of business in society

**UNIT – I Business and its environment**

Dynamics of Business and its Environment – Definition, Types of Environments. - Corporate Governance and Social Responsibility - Ethics in Business. – Business Ethics in India

**UNIT – II Economic System**

Economic Systems and Management Structure - Family Management to Professionalism - Resource Base of the Economy - Land, Forest, Water, Fisheries, Minerals - Environmental Issues.

**UNIT – III Infrastructure and current issues in Business Environment**

Infrastructure - Economic- Social, Demographic Issues, Political context - Productivity Factors, Human Elements and Issues for Improvement -.

**UNIT – IV Global trends in Business and Management**

Global Trends in Business and Management – International Relations Multi-National Companies, Multi-National Companies in India,

**UNIT – V Foreign Capital and Collaboration**

Foreign Capital, Needs for Foreign Capital, Trends in Indian Industry, Foreign Development Investment, FDI and the Indian Stock market

**References:**

**Keith-Davis & William Frederick**, BUSINESS AND SOCIETY, McGraw-Hill, Tokyo.Iran

Worthington and Chris Britton, THE BUSINESS ENVIRONMENT, Prentice Hall

**Namita Gopal**, BUSINESS ENVIRONMENT, 2<sup>nd</sup> Edition, Tata McGraw Hill Education Pvt. Ltd. New Delhi, 2010

**PAPER-V**  
**RESEARCH METHODOLOGY**

**Objectives**

- To enable the students to know about the information needs of Management
- To introduce the concept of Scientific Research and the methods of conducting Scientific Enquiry and
- To introduce the Statistical Tools of Data Analysis.

**UNIT-I**

Research – Qualities of Researcher – Components of Research Problem – Various Steps in Scientific Research – Types of Research – Hypotheses Research Purposes - Research Design – Survey Research – Case Study Research.

**UNIT-II**

Data Collection – Sources of Data – Primary Data – Secondary Data - Procedure Questionnaire – Sampling methods – Merits and Demerits – Experiments – Observation method – Sampling Errors - Type-I Error & Type-II Error.

**UNIT-III**

Statistical Analysis – Introduction to Statistics – Probability Theories – Conditional Probability, Poisson Distribution, Binomial Distribution and Properties of Normal Distributions – Hypothesis Tests – One Sample Test – Two Sample Tests / Chi-Square Test, Association of Attributes - Standard deviation – Co-efficient of variations .

**UNIT-IV**

Statistical Applications – Correlation and Regression Analysis – Analysis of Variance – Partial and Multiple Correlation – Factor Analysis and Conjoint Analysis – Multifactor Evaluation – Two-Factor Evaluation Approaches.

**UNIT-V**

Research Reports – Structure and Components of Research Report – Types of Report, characteristics of Good Research Report, Pictures and Graphs, Introduction to SPSS.

**[Note: Distribution of Questions between Problems and Theory of this paper must be 40:60 i.e., Problem Questions: 40 % & Theory Questions: 60 %]**

**REFERENCES**

**Panneerselvam, R.**, RESEARCH METHODOLOGY, *Prentice Hall of India, New Delhi, 2004.*  
**Kothari CR** , RESEARCH METHODOLOGY-METHODS AND TECHNIQUES, *New Wiley Eastern Ltd., Delhi, 2009.*

PAPER: VI

**ORGANISATIONAL BEHAVIOUR**

**Objectives**

- To understand and appreciate the fact that why & how of human behaviour in organisations is critical for its success and to orient the managers - to-be to develop people skills to make and run the work-place effective, innovative and stake-holder centric.

**UNIT - I**

Organisational Behaviour: Introduction, Definition, Nature & Scope - Basic Concepts of OB - Individual & Organisational Image and Self Image -self-esteem & self-efficacy- Theoretical constructs and models of Organisational Behaviour.

**UNIT – II**

Perception and Learning - Personality and Individual Differences - Motivation and Job Performance - Values, Attitudes and Beliefs - Stress Management

**UNIT – III**

Group Dynamics - Leadership - Styles - Approaches - Power and Politics in Organisation

**UNIT – IV**

Organisational Structure - Organisational Climate and Culture - Organisational Change and Development.

**UNIT – V**

Trends in Organisational Behaviour – Consciousness – Conscience Management – Organisational Vision and Employee alignment with vision- Gender Sensitivity – Competency Level and behavioral Dimensions

**References:**

**Fred Luthans**, ORGANISATIONAL BEHAVIOUR, *Tata McGraw-Hill, New Delhi*  
**Stephen Robbins**, ORGANISATIONAL BEHAVIOUR, *Pearson, New Delhi*

**BUSINESS LAW**

**Objectives**

- To introduce the statutory provision that affects the business decision
- To provide legal understanding and exposure to the important commercial laws
- To understand the legal framework related to contract
- To familiarise about legal aspects about negotiable instruments
- To understand the legal regulations about the company

**UNIT – I The Indian Contract Act, 1872**

Law of Contract - Agreement - Offer - Acceptance - Consideration - Capacity of Contract  
Contingent Contract - Quasi Contract - Performance - Discharge - Remedies to breach of Contract.

**UNIT – II The Indian Partnership Act, 1932 & Sales of Goods Act 1930**

Definition of Partnership and its essentials, Rights and duties of Partners: Authority of a Partner, Minor as a Partner, Registration of a firm, Dissolution of Firms. Sales of Goods – Definition of a Contract of Sales, Essentials of a Contract of Sales of Goods, Kinds of Goods,

**UNIT – III The Negotiable Instruments Act, 1832, Law of Insurance**

Negotiable Instruments - Notes, Bills, Cheques - Crossing - Endorsement - Holder in due course - Holder in value - Contract of Agency. Law of Insurance: Fundamental Principles of Law of Insurance, Types of Policies, Kinds of Losses

**UNIT – IV The Indian Companies Act, 2013**

Company - Formation - Memorandum - Articles - Prospectus - Shares - Debentures -Directors Appointment - Powers and Duties - Meetings - Proceedings – Management - Accounts - Audit Oppression and Mismanagement - Winding up.

**UNIT –V Factory Act, Industrial Dispute Act, Minimum Wages Act & Workmen Compensation Act, 1923**

Factory Act – Licensing and Registration of Factories, Health, Safety and Welfare measures - Industrial Disputes Act – Objects and scope of the Act, Effects of Industrial Dispute, Administration under the Act.

**References:**

**Kapoor G,K & Dhamija S**, COMPANY LAW, 17<sup>th</sup> Edition, Taxman Publication, Pvt. Limited, NewDelhi, 2014

**Daniel Albuquerque**, LEGAL ASPECTS OF BUSINESS, 2<sup>nd</sup> edition, Oxford University Press, NewDelhi, 2013

**Pathak**, LEGAL ASPECTS OF BUSINESS, Tata McGraw- Hill Publishing Company Limited, NewDelhi, 2010.

**M.M. Sulphery & Azhar Basheer**, LAWS FOR BUSINESS, PHI Learning Pvt. Ltd. New Delhi, 2011.

**PAPER-VIII**  
**FINANCIAL MANAGEMENT**

**Objectives**

- To know the various sources of finance
- To understand the various uses for finance and
- To familiarize oneself with the techniques used in financial management.

**UNIT-I**

Financial Management – Financial goals - Profit vs. Wealth Maximization; Finance Functions – Investment, Financing and Dividend Decisions – Cost of Capital – Significance of Cost of Capital – Calculation of Cost of Debt – Cost of Preference Capital – Cost of Equity Capital (CAPM Model and Gordon's Model) and Cost of Retained Earnings – Combined Cost of Capital (weighted/Overall).

**UNIT-II**

Capital Budgeting – Nature of Investment Decisions – Investment Evaluation criteria – Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI), Payback Period, Accounting Rate of Return (ARR) – NPV and IRR comparison.

**UNIT-III**

Operating and Financial Leverage – Measurement of Leverages – Effects of Operating and Financial Leverage on Profit – Analyzing Alternate Financial Plans - Combined Financial and Operating Leverage – Capital Structure Theories - Traditional approach - M.M. Hypotheses – without Taxes and with Taxes – Net Income Approach (NI) – Net Operating Income Approach (NOI) - Determining capital structure in practice.

**UNIT- IV**

Dividend Policies – Issues in Dividend Decisions – Relevance Theory – Walter's Model – Gordon's Model – Irrelevance Theory – M-M hypothesis - Dividend Policy in Practice – Forms of Dividends – Stability in Dividend Policy – Corporate Dividend Behaviour.

**UNIT-V**

Management of Working Capital – Significance and types of Working Capital – Calculating Operating Cycle Period and Estimation of Working Capital Requirements – Financing of Working Capital and norms of Bank Finance – Sources of Working capital – Factoring services– Various committee reports on Bank Finance – Dimensions of Working Capital Management.

**[Note: Distribution of Questions between Problems and Theory of this paper must be 40:60 i.e., Problem Questions: 40 % & Theory Questions: 60 %]**

**REFERENCES**

- Khan MY, Jain PK**, BASIC FINANCIAL MANAGEMENT, *Tata McGraw Hill, Delhi, 2005.*  
**Chandra, Prasanna.** FINANCIAL MANAGEMENT, *Tata McGraw Hill, Delhi.*  
**Bhabatosh Banerjee**, FUNDAMENTALS OF FINANCIAL MANAGEMENT, *PHI, Delhi, 2010*  
**Chandra Bose D**, FUNDAMENTALS OF FINANCIAL MANAGEMENT, *PHI, Delhi, 2010*  
**Preeti Singh**, FUNDAMENTALS OF FINANCIAL MANAGEMENT, *Ane, 2011.*

**PAPER-IX**  
**MARKETING MANAGEMENT**

**Objectives**

- To familiarize with the basic concepts, and techniques of marketing management
- To understand the behaviour of consumers
- To create awareness of marketing mix elements, and
- To analyse and solve marketing problems in the complex and fast changing business environment.

**UNIT-I**

Introduction to Marketing and Marketing Management, Marketing Concepts - Marketing Process Marketing mix - Marketing environment. - Consumer Markets and buying behaviour - Market segmentation and targeting and positioning.

**UNIT-II**

Product Decisions - concept of a Product - Product mix decisions - Brand Decision - New Product Development – Sources of New Product idea - Steps in Product Development - Product Life Cycle strategies- Stages in Product Life Cycle,

**UNIT-III**

Price Decisions - Pricing objectives - Pricing policies and constraints - Different pricing method - New product pricing, Product Mix pricing strategies and Price adjustment strategy.

**UNIT-IV**

Channel Decision - Nature of Marketing Channels –. Types of Channel flows - Channel functions - Functions of Distribution Channel – Structure and Design of Marketing Channels -Channel co-operation, conflict and competition – Retailers and wholesalers.

**UNIT - V**

Promotion Decision - Promotion mix - Advertising Decision, Advertising objectives - Advertising and Sales Promotion – Developing Advertising Programme – Role of Media in Advertising - Advertisement effectiveness - - Sales force Decision.

**REFERENCES**

**K.S. Chandrasekar**, MARKETING MANAGEMENT TEXT AND CASES, *Tata McGraw-Hill Publication, New Delhi.2010*

**Govindarajan**, MARKETING MANAGEMENT CONCEPTS, CASES, CHALLENGES AND TRENDS, *Prentice Hall of India, New Delhi. 2009*

**Philip Kotler**, MARKETING MANAGEMENT- ANALYSIS PLANNING AND CONTROL, *Prentice Hall of India, New Delhi,*

**Ramaswamy. V S & Namakumari. S**, MARKETING MANAGEMENT-PLANNING IMPLEMENTATION AND CONTROL, *Macmillan Business Books, New Delhi, 2002,*

**PAPER – X**  
**HUMAN RESOURCES MANAGEMENT**

**Objectives**

- To understand and appreciate the importance of the human resources vis-a-vis other resources of the organisation
- To familiarize the students with methods and techniques of HRM
- To equip them with the application of the HRM tools in real world business situations.

**UNIT-I**

Human Resources Management - Context and Concept of People Management in a Systems Perspective - Organisation and Functions of the HR and Personnel Department - HR Structure and Strategy; Role of Government and Personnel Environment including MNCs.

**UNIT – II**

Recruitment and Selection - Human Resource Information System [HRIS] - Manpower Planning - Selection – Induction & Orientation - Performance and Potential Appraisal - Coaching and Mentoring - HRM issues and practices in the context of Outsourcing as a strategy .

**UNIT-III**

Human Resources Development –Training and Development Methods - Design & Evaluation of T&D Programmes - Career Development - Promotions and Transfers - Personnel Empowerment including Delegation - Retirement and Other Separation Processes.

**UNIT-IV**

Financial Compensation- -Productivity and Morale - Principal Compensation Issues & Management - Job Evaluation - Productivity, Employee Morale and Motivation - Stress Management - Quality of Work Life.

**UNIT – V**

Building Relationships – Facilitating Legislative Framework - Trade Unions - Managing Conflicts - Disciplinary Process - Collective Bargaining - Workers Participation in Management - Concept, Mechanisms and Experiences.

**REFERENCES**

**Venkata Ratnam C. S. & Srivatsava B. K.**, PERSONNEL MANAGEMENT AND HUMAN RESOURCES, *Tata Mc-Graw Hill, NewDelhi,*

**Aswathappa**, HUMAN RESOURCE MANGEMENT, *Tata McGraw Hill, NewDelhi, 2010*

**Garry Dessler & Varkkey**, HUMAN RESOURCE MANAGEMENT, *Pearson, New Delhi, 2009*

**Alan Price**, HUMAN RESOURCE MANAGEMENT, *Cengage Learning, NewDelhi, 2007*

**Pravin Durai**, HUMAN RESOURCE MANGEMENT, *Pearson, New Delhi, 2010*

**Snell, Bohlander & Vohra**, HUMAN RESOURCES MANAGEMENT, *Cengage, NewDelhi, 2010*

**OPERATIONS RESEARCH**

**Objectives:**

- To introduce various optimization techniques of operations research
- To facilitate the use of Quantitative Technique in various functional areas

**UNIT-I**

Stages of Development of Operations Research, Applications of Operations Research, Limitations of Operations, Introduction to Linear Programming, Graphical Method, Simplex Method, Duality.

**UNIT-II**

Transportation Problem, Assignment Problem, Inventory Control – Introduction to Inventory Management, Basic Deterministic Models, Purchase Models, Manufacturing Models without Shortages and with Shortages.

**UNIT-III**

Shortest Path Problem - Minimum Spanning Tree Problem - CPM/PERT, Crashing of a Project Network.

**UNIT-IV**

Game Theory- Two Person Zero-sum Games -Graphical Solution of (2 x n) and (m x 2) Games - LP Approach to Game Theory - Goal programming - Formulations.

**UNIT-V**

Introduction to Queuing Theory - Basic Waiting Line Models: (M/M/1):(GD/a/a), (M/M/C):GD/a/a).

**References**

1. **Panneerselvam, R**, OPERATIONS RESEARCH, Prentice-Hall of India, New Delhi, 2006.
2. **G.Srinivasan**, OPERATIONS RESEARCH, PHI Learning, NewDelhi,2010
3. **Tulsian & Pandey**, QUANTITATIVE TECHNIQUES, Pearson, NewDelhi, 2002
4. **Vohra**, Quantative Techniques in Management, Tata McGrawHill, NewDelhi, 2010

**PAPER-XII  
STRATEGIC MANAGEMENT**

**Objectives**

- Integrating the knowledge gained in functional areas of management
- helping the students to learn about the process of strategic management, and
- helping the students to learn about strategy formulation and implementation

**UNIT-I**

Concepts of Strategy - Levels at which strategy operates; Approaches to strategic decision making; Mission and purpose, objectives and goals; Strategic business unit (SBU); Functional level strategies

**UNIT-II**

Environmental Analysis and Diagnosis - Environment and its components; Environment scanning and appraisal; Organizational appraisal; Strategic advantage analysis and diagnosis; SWOT analysis

**UNIT-III**

Strategy Formulation and Choice - Modernization, Diversification Integration - Merger, take-over and joint strategies - Turnaround, Divestment and Liquidation strategies - Strategic choice - Industry, competitor and SWOT analysis - Factors affecting strategic choice; Generic competitive strategies - Cost leadership, Differentiation, Focus, Value chain analysis, Bench marking, Service blue printing

**UNIT-IV**

Functional Strategies: Marketing, production/operations and R&D plans and policies- Personnel and financial plans and policies.

**UNIT-V**

Strategy Implementation - Inter - relationship between formulation and implementation - Issues in strategy implementation - Resource allocation - Strategy and Structure - Structural considerations - Organizational Design and change - Strategy Evaluation- Overview of strategic evaluation; strategic control; Techniques of strategic evaluation and control.

**REFERENCES**

**Azhar Kazmi**, STRATEGIC MANAGEMENT & BUSINESS POLICY, *Tata McGraw-Hill Publishing Company Limited, New Delhi 2008.*

**Vipin Gupta, Kamala Gollakota & Srinivasan**, BUSINESS POLICY & STRATEGIC MANAGEMENT, *Prentice Hall of India Private Limited, New Delhi, 2008.*

**Amita Mittal**, CASES IN STRATEGIC MANAGEMENT, *Tata McGraw-Hill Publishing Company Limited, New Delhi 2008.*

**Fred R. David**, STRATEGIC MANAGEMENT CONCEPT AND CASES, *PHI Learning Private Limited, New Delhi, 2008.*

PAPER-XIII  
**BUSINESS ETHICS**

**Objectives:**

- To introduce the concept and importance of business ethics and corporate governance
- To know the facets of ethics management
- To know the ethical values and Indian ethos in Management

**UNIT-I: Introduction:** Meaning – Definition –Scope – Ethical Values and Theories- Myths –Ethics Vs Morality- Ethical Issues in the functional Areas of Business Management – Cross-Country Perspectives on Business Ethics.

**UNIT-II: ETHICS MANAGEMENT:** Ethical Dilemma – Ethical Decision Making – Ethical Reasoning – Ethical issues – Ethics Management Programmes – Benefits of Managing Ethics in Work Place – Organisation Ethics Development System (OEDS) – Code of ethics –Value based leadership.

**UNIT-III: Ethical Values in Work Place:** Characteristics- Types- Importance – Work Ethics – Work Culture – Professional Ethics- Environmental Ethics – Challenges of Cyber Age.

**UNIT-IV: CORPORATE GOVERNANCE:** Meaning –Mechanism- Principles – Code of Corporate Governance – Audit Committee – Role of Independent Directors – Protection of Stakeholders – Corporate Social Responsibility –Issues in Corporate Governance- Emerging Trends.

**UNIT-V: INDIAN ETHOS IN MANAGEMENT:** Principles – Approaches – Role of Gita – Karma Yoga – Wisdom Management- Gandhian Ethics- Spirituality- Humanism - Morals Standards in Indian Ethics.

**References:**

1. **Bhatia, S.K.**, Business Ethics and Corporate Governance, Deep & Deep Publication.
2. **B.N Ghosh**, Business Ethics and Corporate Governance, Mc Graw Hill.
3. **Daniel Albuquerque**, Business Ethics, Oxford Univ. Press
4. **Laura P. Hartman**, Perspectives in Business Ethics, Tata Mc Graw Hill.
5. **Chakraborty, S.K.**, Management by Values, Oxford Univ. Press

**OPERATIONS MANAGEMENT****Objectives:**

- To understand the concepts and techniques of Operations Management.
- To use the above for improving the Operational Productivity of Organizations.

**UNIT-I**

Introduction to Operations Management - Process Planning - Plant Location - Plant Lay out - Introduction to Production Planning. Inventory Control: Review of Basic Models of Inventory, P & Q system of Inventory

**UNIT-II**

Systems Concept of Production, Types of Production System, Productivity, Value Engineering, Make or Buy Decision. Capacity Planning, Forecasting: Models of forecasting

**UNIT-III**

Nature of Aggregate Planning Decisions, Aggregate Planning Strategies, Aggregate Planning Methods: Material Requirement Planning: Single Machine Scheduling:

**UNIT-IV**

Work Study: Method Study – Recording Techniques, Steps in Method Study, Principles of Motion Economy, Time Study. Quality Control: Introduction, need for Controlling Quality, Definition of a Quality System, Classification of Quality Control Techniques,

**UNIT-V**

Maintenance Planning and Control: Maintenance Objectives, Replacement, Group Replacement Vs Individual Replacement – Trade-off. Reliability:

**References**

1. **Panneerselvam. R;** Production and Operations Management, 3<sup>rd</sup> Edition, PHI Learning, Delhi, 2013.
2. **Joseph G. Monks:** Operations Management - Theory and Problems, (McGraw Hill).
3. **Everett E. Adam & Ronald J. Ebert:** Production and Operations Management, (Prentice Hall, 1994).
4. **William J. Stevenson:** Production/Operations Management, Richard Irwin.
5. **Norman Gaither:** Production and Operations Management, (The Dryden Press).
6. **Jack R. Meredith-** The Management Of Operation, (John Wiley & Sons).
7. **S.N. Chary,** Production and Operations Management, (Tata McGrawHill).
8. **Jay Heizer & Barry Render:** Operations Management, Prentice Hall International, Inc. 2001, International Edition.

## **MBA (Finance) – III Semester**

### **PAPER -XV STRATEGIC FINANCIAL MANAGEMENT**

**Course Code: 37**

**Paper code: MBFM 3001**

#### **Objectives**

- To acquaint the students with concepts of Financial management from strategic perspective and
- To familiarize various Techniques and Models of Strategic Financial Management.

#### **UNIT – I**

Financial Policy and Strategic Planning –Strategic Planning Process – Objectives and Goals – Major Kinds of Strategies and Policies – Corporate Planning – Process of Financial Planning – Types of Financial Plan – Financial Models – Tools or Techniques of Financial Modeling – Uses and Limitations of Financial Modeling – Applications of Financial Models – Types of Financial Models - Process of Financial Model Development.

#### **UNIT – II**

Investments Decisions under Risk and Uncertainty – Techniques of Investment Decision – Risk Adjusted Discount Rate, Certainty Equivalent Factor, Statistical Method, Sensitivity Analysis and Simulation Method – Corporate Strategy and High Technology Investments.

#### **UNIT – III**

Expansion and Financial Restructuring – Corporate Restructuring - Mergers and Amalgamations – reasons for Merger, Benefits and Cost of Merger – Takeovers – Business Alliances – Managing an Acquisition – Divestitures – Ownership Restructuring – Privatisation – Dynamics of Restructuring – Buy Back of Shares – Leveraged Buy-outs (LBOs) – Divestiture – Demergers.

#### **UNIT – IV**

Leasing – Importance, Types, Tax Considerations, and Accounting Considerations – Evaluation of Lease from the point of view of Lessor and Lessee – Lease versus Buy Decision – Venture Capital – Concept and Developments in India – Process and Methods of Financing – Fiscal Incentives.

#### **UNIT – V**

Financing Strategy - Innovative Sources of Finance – Asset Backed Securities - Hybrid Securities namely Convertible and Non-Convertible Debentures, Deep Discount Bonds, Secured Premium Notes, Convertible Preference Shares – Option Financing, Warrants, Convertibles and Exchangeable Commercial Paper.

#### **REFERENCES**

- Rajni Sofat & Preeti Hiro**, STRATEGIC FINANCIAL MANAGEMENT, *PHI, Delhi, 2011*  
**Weaver & Weston**, STRATEGIC CORPORATE FINANCE, *Cengage Learning, Delhi, 2001*  
**Chandra, Prasanna**, FINANCIAL MANAGEMENT, *Tata McGraw Hill, Delhi. 2007*

**MBA (Finance) – III Semester**

**PAPER -XVI  
BANKING AND INDIAN FINANCIAL SYSTEM**

**Course Code: 37  
3002**

**Paper code: MBFM**

**Objectives**

- To get an insight into the constitutions, structure, objectives and working of the Banking Institutions in India
- To evaluate the performance of Banking Institutions and their contribution to the growth of Indian Corporate Sector and
- To have a Bird's view of the Indian Financial System and in the context of Global Indian Banking System.

**UNIT- I**

Banking Systems – Definitions – Functions – Types – Central Banking – Structure of Banking System- Rural Financing – Banker and Customer Relationship – Deposit Mobilization – Loans and Advances – Assets and Liabilities Management – Secured Advances – Endorsement and Crossing of Cheques – Payment of Cheques – Collection of Cheques.

**UNIT-II**

Central Banking System – Nature- Organization and Management- Functions – Methods of Credit Controls – Objects of Monetary Policy – Autonomy of Central Bank Systems – Indian Money Market – Indian Capital Market – New Issue Market- Banking Legislations in India.

**UNIT-III**

Industrial and Agricultural Banking System – All Indian Development Banks – Investment Institutions- State Level Institutions – Specialized Financial Institutions – International Finance Institutions – IBRD – IFC – IDA – NABARD – NHB – Micro Financing Institutions.

**UNIT-IV**

Financial systems - Overview of Indian Financial System – savings and Financial Intermediation – Financial Markets – Listing Regulations – Primary Markets – Secondary Markets – Mutual Funds – Indian Fiscal Systems.

**UNIT-V**

Foreign Investments – Foreign Capital – Foreign Collaboration – Foreign Direct Investment – foreign Institutional Investors – Offshore Country Funds – Overseas Venture Capital Investments – International Capital Market.

**REFERENCES**

**M.Y. Khan**, INDIAN FINANCIAL SYSTEM, *Tata Mc Graw Hill, Delhi, 2008*

**Jeff Madura**, FINANCIAL MARKETS AND INSTITUTIONS, *CenGage Learning, Delhi, 2008*

**H.R. Machiraju**, INDIAN FINANCIAL SYSTEM, *Vikas Publishing House, Delhi, 2009*

**Pathak**, THE INDIAN FINANCIAL SYSTEM, *Pearson Education India, 2007*

**MBA (Finance) – III Semester**

**PAPER -XVII**

**MERCHANT BANKING AND FINANCIAL SERVICES**

**Course Code: 37**

**Paper code:**

**MBFM3003**

**Objectives**

- To examine Financial Services management as an important and contemporary area of financial management
- To understand the various financial services and their future and
- To determine the most suitable financial service, given the situations and contingencies

**UNIT-I**

Financial Services Industry – Emergence – Developments – Fund Based and Non-fund based activities – modern activities – New Financial Products and Services, Innovative Financial Instruments – Challenges Ahead.

**UNIT-II**

Merchant Banking – Issues Management Intermediaries – Merchant Bankers/Lead Managers – Underwriters – Bankers, Brokers and Registrars to an Issue and Share Transfer Agents– Debenture /Trustees – Portfolio Managers – Issue Management Activities/Procedures – Eligibility norms – Pricing or Issues – Promoters’ contribution – Issue of Indian Depository Receipts (IDR) – Issue Advertisement – Issue of Debt Instruments – Book building – Green shoe Option – Initial Public Offer through Stock Exchange Online System – Preferential Issues – Qualified Institutional Placement.

**UNIT-III**

Factoring and Forfeiting - Modus Operandi, types, functions – Factoring in India - Bills Discounting – Real estate Industry – Housing Finance – Housing Finance system – National Housing Bank – Refinance scheme for HFCs – Asset Liability Management – Securitisation – Mortgage-Based Securitisation – Reverse Mortgage Loan (RML) Securitisation of Standard Assets.

**UNIT-IV**

Mutual Funds - Origin, Types of Mutual Funds, Importance, Mutual Funds Industry in India – SEBI’s directives for Mutual Funds, Private Mutual Funds, Asst Management company – Unit Trust of India – Evaluation of Performance of Mutual Funds – Money Market Mutual Funds – RBI Guidelines – Venture Capital: Meaning, Origin, Importance, Methods, India Scenario.

**UNIT-V**

Insurance – Meaning, Types, Insurance Industry in India and related reforms – Other Financial Services – Credit Cards – Credit Rating: Regulatory framework – Credit Rating Agencies – Rating Process and Methodology – Rating symbols/Grades – Pension Plan.

**REFERENCES**

**Khan, M.Y.**, FINANCIAL SERVICES, *Tata McGraw Hill, New Delhi, 2001.*

**Gurusamy**, MERCHANT BANKING AND FINANCIAL SERVICES, *Tata McGraw Hill, Delhi, 2009.*

**MBA (Finance) – III Semester**

**PAPER –XVIII  
PROJECT MANAGEMENT**

**Course Code: 37  
MBFM3004**

**Paper code:**

**Objectives**

- To understand the concept of project and steps in project management
- To enable the students to prepare business proposals and
- To enable the students to evaluate the Project feasibility

**UNIT-I**

Project – Classification – Importance of Project Management – An Integrated Approach – Project Portfolio Management System – The Need – Choosing the appropriate Project Management Structure: Organizational considerations and project considerations – steps in defining the project – project Rollup – Process breakdown structure – Responsibility Matrices – External causes of delay and internal constraints.

**UNIT-II**

Project feasibility studies - Opportunity studies, General opportunity studies, specific opportunity studies, pre-feasibility studies, functional studies or support studies, feasibility study – components of project feasibility studies – Managing Project resources flow – project planning to project completion: Pre-investment phase, Investment Phase and operational phase – Project Life Cycle – Project constraints.

**UNIT-III**

Project Evaluation under certainty - Net Present Value (Problems - Case Study), Benefit Cost Ratio, Internal Rate of Return, Urgency, Payback Period, ARR – Project Evaluation under uncertainty – Methodology for project evaluation – Commercial vs. National Profitability – Social Cost Benefit Analysis, Commercial or National Profitability, social or national profitability.

**UNIT-IV**

Developing a Project Plan - Developing the Project Network – Constructing a Project Network (Problems) – PERT – CPM – Crashing of Project Network (Problems - Case Study) – Resource Leveling and Resource Allocation – how to avoid cost and time overruns – Steps in Project Appraisal Process – Project Control Process – Control Issues – Project Audits – the Project Audit Process – project closure – team, team member and project manager evaluations.

**UNIT-V**

Managing versus leading a project - managing project stakeholders – social network building (Including management by wandering around) – qualities of an effective project manager – managing project teams – Five Stage Team Development Model – Situational factors affecting team development – project team pitfalls.

[Note: Distribution of Questions between Problems and Theory of this paper must be 20:80 i.e., Problem Questions: 20 % & Theory Questions: 80 %]

**REFERENCES**

- Panneerselvam & senthilkumar**, PROJECT MANAGEMENT, *PHI, Delhi, 2009*  
**Kamaraju Ramakrishna**, ESSENTIALS OF PROJECT MANAGEMENT, *PHI, Delhi, 2010*  
**Arun Kanda** , PROJECT MANAGEMENT, *PHI, Delhi, 2011*

**MBA (Finance) – III Semester**

**PAPER -XIX  
MANAGEMENT ACCOUNTING**

**Course Code: 37**

**Paper code:**

**MBFM3005**

**Objectives**

- To apply various management accounting techniques to all types of organizations for planning, decision making and control purposes in practical situations and
- To familiarize Contemporary Issues in Management Accounting.

**UNIT - I**

Management accounting – Objectives, nature, and scope of Financial Accounting, Cost Accounting, and Management Accounting – Managerial Decisions – Accounting Plan and Responsibility Centers – Significance of Responsibility Accounting – Responsibility Centers – Cost Centre, Profit Centre and Investment Centre – Determinants of Responsibility Centers – Transfer Pricing – Objectives of transfer pricing – Methods of transfer pricing (simple problems) – Conflict between a division and a company - Multi-National Transfer pricing.

**UNIT – II**

Budgeting and Budgetary control – Fixed and flexible budget – Preparation of functional budget for operating and non-operating functions, Cash budgets, Capital expenditure budget, Master budget, Principal budget factors – Zero-base budgeting – Performance budgeting – Standard Costing and Variance Analysis – Material Variances – labour Variances, Overhead (Fixed and Variable) Variances – Sales Variances.

**UNIT – III**

Marginal Costing and Break-even Analysis – Cost-Volume-Profit (CVP) Analysis – Break-Even Analysis – Assumptions and practical applications of Breakeven-Analysis – Decisions regarding Sales-mix – Make or Buy Decisions – Limiting Factor Decision – Export Decision – Plant Merger – Decision of Shutdown or Continuation of a product line.

**UNIT - IV**

DuPont Analysis – Fund Flow Analysis – Cash flow analysis – Contemporary Issues in Management Accounting – Value chain analysis – Activity-Based Costing (ABC) – Quality Costing – Target and Life Cycle Costing – Theory of Constraints accounting (TOC).

**UNIT – V**

Social Cost Benefit Analysis – Decision Tree in Management – Reporting to Management – Objectives of Reporting – Reporting needs at different managerial levels – Types of reports – Modes of Reporting, Reporting at different levels of Management.

**[Note: Distribution of Questions between Problems and Theory of this paper must be 60:40 i.e., Problem Questions: 60 % & Theory Questions: 40%]**

**REFERENCES**

**Khan. MY, Jain P.,** MANAGEMENT ACCOUNTING, *McGraw Hill, Delhi, 2009*

**Singhvi. NM,** MANAGEMENT ACCOUNTING, *PHI, Delhi, 2010*

**Dr Murthy, S Gurusamy,** MANAGEMENT ACCOUNTING, *McGraw Hill, Delhi, 2009*

**MBA (Finance) – IV Semester**

**PAPER -XX  
INVESTMENT AND PORTFOLIO MANAGEMENT**

**Course Code: 37  
MBFM4001**

**Paper code:**

**Objectives**

- To have understanding on investment and avenues of investment
- To have exposure on analysis techniques of capital market and
- To understand various theories of portfolio management

**UNIT -I**

Investment – Basics of Investment – Investment, Speculation and Gambling – Investment Categories – Investment avenues – Non marketable Financial Assets – Money Market Instruments – Bond/Debentures – Equity Shares – Schemes of LIC – Mutual Funds – Financial Derivatives – Real Assets – Real Estate – Art – antiques and others.

**UNIT- II**

Fundamental Security Analysis – Economic Analysis – significance and Interpretation of the Economic Indicators – Industry Analysis – Industry Growth Cycle - Company analysis – Marketing – Accounting policies – Profitability – Dividend Policy – Capital Structure – Financial Analysis – Operating Efficiency – Management – Fundamental Security Analysis – Changes in the Financing Patterns of Indian Companies – Debt-Equity Ratio for India Companies.

**UNIT-III**

Technical Analysis – Technical Tools - The Dow Theory – Primary Trend – The secondary Trend – Minor Trends – Support and Resistance Level – Indicators – Odd Lot Trading – Moving Average – Rate of Change – Charts – Technical indicators – Charting Techniques – Indicators of the Witchcraft Variety – Efficient Market Theory – Basic Concepts – Random-Walk Theory – Weak Form of EMH – Semi-strong Form – Strong Form – The Essence of the Theory – Market Inefficiencies.

**UNIT-IV**

Portfolio Analysis – Portfolio and Single asset Returns and Risk – Mean Variance Criterion – covariance – Beta (simple problems) – Portfolio Markowitz Model – simple Diversification – Risk and Return with Different correlation – Sharpe's Single Index Model – Sharpe's Optimal Portfolio – Construction of the Optimal Portfolio – Optimum Portfolio with short sales.

**UNIT-V**

Asset Pricing Model Portfolio Evaluation – Capital Asset Pricing Model (CAPM) – Security Market Line – Assumptions – Arbitrage Pricing Model (APT) – Portfolio Performance Models – Sharpe's Performance Index – Treynor's Performance Index – Jensen's Performance Index.

**REFERENCES**

**Punithavathy Pandian**, SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT, *Vikas Publications Pvt. Ltd, New Delhi, 2001.*

**Kevin .S**, SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT, *PHI, Delhi, 2011*

**Yogesh Maheswari**, INVESTMENT MANAGEMENT, *PHI, Delhi, 2011*

**Bhalla V K**, INVESTMENT MANAGEMENT: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT, *S Chand, New Delhi, 2009*

**Prasanna Chandra**, PORTFOLIO MANAGEMET, *Tata McGraw Hill, New Delhi, 2008.*

## **MBA (Finance) – IV Semester**

### **PAPER -XXI GLOBAL FINANCIAL MANAGEMENT**

**Course Code: 37**

**Paper code:**

**MBFM4002**

#### **Objectives**

- To have exposure on International Monetary System
- To understand about Balance of Payments and currency Exposure and
- To introduce and familiarize the International Financial Markets and Instruments.

#### **UNIT-I**

Globalisation - Implications of Globalisation – Goals of International Financial Management - scope of International Finance – International Monetary System – Bimetallism – Gold Standard – Bretton Woods System – Floating Exchange Rate Regime – European Monetary System – IMF – WTO – GATT .

#### **UNIT-II**

Balance of Payments – The Current Account – The Capital Account – significance - Balance of Payments in the World – Balance of Payments Account of India

#### **UNIT-III**

International Financial Markets – Sources of International Funds – Multilateral Development Banks – Governments/ Governmental Agencies – International Banks – Security Markets Instruments of International Financial Markets– International Equities – GDRs – ADRs - International Money Market and Bond Market Instruments – Euro Bonds – Repos – Euro Commercial Paper – Medium Term Notes – Floating Rate Notes – Loan Syndicates – Euro Deposits – Euro Issues in India.

#### **UNIT-IV**

Currency Risk and Exposure – Types of Currency Risk – Management of Currency Risk – Concept and Measurement of Transaction Exposure - Techniques of Transaction Exposure Management – Translation Exposure – methods – Transaction Exposure Vs. Translation Exposure – Exchange Risk Management –Operating Exposure – measuring and managing Operating Exposure.

#### **UNIT-V**

Foreign Direct Investment (FDI) – Forms of FDIs – FDI in World – purpose of overseas investment – Benefits to the Host Countries – Effects of FDI – Political Risk.

#### **REFERENCES**

**Joseph Anbarasu**, GLOBAL FINANCIAL MANAGEMENT, *Ane, Delhi, 2010*

**Kevin S**, FUNDAMENTALS OF INTERNATIONAL FINANCIAL MANAGEMENT, *PHI, Delhi, 2010*

**Jeff Madura**, INTERNATIONAL FINANCIAL MANAGEMENT, *Cengage learning, Delhi, 2008*

**MBA (Finance) – IV Semester**

**PAPER -XXII  
INTERNATIONAL TRADE AND FINANCE**

**Course Code: 37  
4003**

**Paper code: MBFM**

**Objectives**

- To make the students well aware about the formalities associated with International trade
- To make the students aware of the documentation of International Trade and
- To make the students aware of the FOREX Management and Export Promotion Schemes.

**UNIT-I**

International Trade –Benefits – Basis of International Trade – Foreign Trade and Economic Growth – Balance of Trade – Balance of Payment – Current Trends in India – Barriers to International Trade – Indian EXIM Policy.

**UNIT-II**

Export and Import Finance: Special need for Finance in International Trade – INCO Terms (FOB, CIF, etc..) – Payment Terms – Letters of Credit – Pre Shipment and Post Shipment Finance – Forfaiting – Deferred Payment Terms – EXIM Bank – ECGC and its schemes – Import Licensing – Financing methods for import of Capital goods.

**UNIT-III**

Foreign Exchange Markets – Spot Prices and Forward Prices – Factors influencing Exchange rates – The effects of Exchange rates in Foreign Trade – Tools for hedging against Exchange rate variations – Forward, Futures and Currency options – FEMA – Determination of Foreign Exchange rate and Forecasting – Law of one price – PPP theory – Interest Rate Parity – Exchange rate Forecasting.

**UNIT-IV**

Export Trade Documents: Financial Documents – Bill of Exchange – Type – Commercial Documents – Proforma, Commercial, Consular, Customs, Legalized Invoice, Certificate of Origin Certificate Value, Packing List, Weight Certificate, Certificate of Analysis and Quality, Certificate of Inspection, Health certificate. Transport Documents - Bill of Lading, Airway Bill, Postal Receipt, Multimodal Transport Document. Risk Covering Document: Insurance Policy, Insurance Cover Note. Official Document: Export Declaration Forms, GR Form, PP Form, COD Form, Softer Forms, Export Certification, GSPS – UPCDC Norms.

**UNIT-V**

Export Promotion Schemes – Government Organizations Promoting Exports – Export Incentives: Duty Exemption – IT Concession – Marketing Assistance – EPCG, DEPB – Advance License – Other efforts I Export Promotion – EPZ – EQU – SEZ and Export House.

**REFERENCES**

**Jeevanandam .C**, INTERNATIONAL BUSINESS, M/s Sultan & Chand, Delhi, 2008

**Sumathi Varma**, INTERNATIONAL BUSINESS, *Ane, Delhi, 2010*

## **MBA (Finance) – IV Semester**

### **PAPER -XXIII SECURITY MARKET OPERATIONS**

**Course Code: 37**

**Paper code:**

**MBFM4004**

#### **Objectives**

- To Familiarize the students about SEBI and its Rules
- To Understand the activities and procedures of Security Market and its mechanism and
- To acquaint the knowledge about funds mobilized through various sources and instruments of Financial Market.

#### **UNIT – I**

Security Markets - Legal Environment: SEBI Act, 1992, Securities Contract Regulation Act 1956, Companies Act 1956 (various provisions relating to securities), RBI rules and guidelines for FII's.

#### **UNIT – II**

Security Markets - Primary market - its role and functions - Methods of selling securities in primary market – New financial instruments – New Issues – SEBI guidelines for public issues – pricing of issue, promoters' contribution – appointment and role of merchant bankers, underwriters, brokers, registrars and managers, bankers etc - Underwriting of issues – Allotment of shares – Procedures for new issues – e-trading.

#### **UNIT – III**

Secondary Market – Role, importance, organization of stock exchanges – Listing of securities in stock exchanges – Trading mechanism – screen based system – Insider trading; Take-over's – Internet based trading.

#### **UNIT – IV**

Depository – Role and need – The Depositories Act, 1996, SEBI (Depositories and Participants Regulation) 1996 – SEBI (Custodian of Securities) Regulation 1996 – National Securities Depository Ltd. (NSDL) – Depository participant.

#### **UNIT – V**

Capital Market Instruments – Equity, Secured Premium Notes, Equity Shares with detachable warrants, Sweat Equity, Non-Voting Shares, Tracking stocks, Preference Shares, Debentures, Disaster Bonds, Option Bonds, Easy Exit Bonds, Split Coupon Debentures, Floating Rate Bonds and Notes, Clip and Strip Bonds, Dual Convertible Bonds, Debt Instruments with Debt warrants, Indexed Rate Notes, Stepped Coupon Bonds, Dual Option Warrants, Extendable Notes, Commodity Bonds, Mortgage Backed Securities, Carrot and Stick Bond, Capital Indexed Bonds, Debt for Equity Swap, Zero Coupon Convertible Notes, Global Depository Receipts, Foreign Currency Convertible Bonds – New instruments of Capital Market – Pure, Hybrid and Derivatives; Money Market Instruments – Treasury bills, Commercial Bills, Commercial Paper, Participatory Notes.

#### **REFERENCES**

**Dalton, John M,** HOW THE STOCK MARKET WORKS, *Prentice Hall, New Delhi.*

**Machi Raju, H.R,** MERCHANT BANKING; *Wiley Eastern Ltd.; New Delhi.*

**Chanratre, KR,** CAPITAL ISSUE, SEBI & LISTING; *Bharat Publishing House, NewDelhi.*

**MBA Finance) – IV Semester**

**PAPER –XXIV  
FINANCIAL DERIVATIVES**

**Course Code: 37**

**Paper code:**

**MBFM4005**

**Objectives**

- To Understand the students about the concept of Derivatives and its types
- To acquaint the knowledge of Options and Futures and
- To know about Hedging and the development position of Derivatives in India.

**UNIT – I**

Derivatives – Features of a Financial Derivative – Types of Financial Derivatives - Basic Financial derivatives – History of Derivatives Markets – Uses of Derivatives – Critiques of Derivatives – Forward Market: Pricing and Trading Mechanism – Forward Contract concept – Features of Forward Contract – Classification of Forward Contracts – Forward Trading Mechanism – Forward Prices Vs Future Prices.

**UNIT – II**

Options and Swaps – Concept of Options – Types of options – Option Valuation – Option Positions Naked and Covered Option – Underlying Assets in Exchange-traded Options – Determinants of Option Prices – Binomial Option Pricing Model – Black-Scholes Option Pricing – Basic Principles of Option Trading – SWAP: Concept, Evaluation and Features of Swap – Types of Financial Swaps – Interest Rate Swaps – Currency Swap – Debt-Equity Swap.

**UNIT – III**

Futures – Financial Futures Contracts – Types of Financial Futures Contract – Evolution of Futures Market in India – Traders in Futures Market in India – Functions and Growth of Futures Markets – Futures Market Trading Mechanism - Specification of the Future Contract – Clearing House – Operation of Margins – Settlement – Theories of Future prices – Future prices and Risk Aversion – Forward Contract Vs. Futures Contracts.

**UNIT – IV**

Hedging and Stock Index Futures – Concepts – Perfect Hedging Model – Basic Long and Short Hedges – Cross Hedging – Basis Risk and Hedging – Basis Risk Vs Price Risk – Hedging Effectiveness – Devising a Hedging Strategy – Hedging Objectives – Management of Hedge – Concept of Stock Index – Stock Index Futures – Stock Index Futures as a Portfolio management Tool – Speculation and Stock Index Futures – Stock Index Futures Trading in Indian Stock Market.

**UNIT – V**

Financial Derivatives Market in India – Need for Derivatives – Evolution of Derivatives in India – Major Recommendations of Dr. L.C. Gupta Committee – Equity Derivatives – Strengthening of Cash Market – Benefits of Derivatives in India – Categories of Derivatives Traded in India – Derivatives Trading at NSE/BSE – Eligibility of Stocks – Emerging Structure of Derivatives Markets in India -Regulation of Financial Derivatives in India – Structure of the Market –Trading systems – Badla system in Indian Stock Market – Regulatory Instruments.

## **REFERENCES**

**Gupta . S.L.**, FINANCIAL DERIVATIVES THEORY, CONCEPTS AND PROBLEMS  
*PHI, New Delhi, 2005*

**Kumar S.S.S.** FINANCIAL DERIVATIVES, *PHI, New Delhi, 2007*

**Chance, Don M:** DERIVATIVES and Risk Management Basics, *Cengage Learning, New Delhi.*

**Stulz M. Rene,** RISK MANAGEMENT & DERIVATIVES, *Cengage Learning, New Delhi.*