

REGULATIONS AND SYLLABUS

MASTER OF FINANCE AND CONTROL

(MFC) Degree (Full Time)
(With Effect From 2009 – 2010)

1. Admission:

Admission into two year full time MFC Course will be made on the basis of the admission test conducted by Andhra University

2. Eligibility

A pass in Bachelors Degree in Commerce or Management or equivalent thereto of Andhra University or any other university recognized by the academic senate as equivalent thereto . The candidate with a professional qualifications like BE / B.Tech / B.Pharm / Law / CA / ICWA / ACS etc, is also eligible.

3. Instruction

The scope of instruction shall be as defined in the syllabus prescribed.

4. Medium and Method of Instruction:

English

5. Pattern of Examination:

Semester system with continuous evaluation.

6. Semester Pattern:

Each academic year consists of two semesters of equal duration. The programme has curriculum and course content for the subjects recommended by the P.G. Board of studies concerned and by the academic council and finally approved by Andhra University.

7. Examination:

The candidate shall be required to take at the end of each semester, an examination as detailed in the scheme of Examination. Each paper of the examination shall, unless otherwise prescribed, be of three hours duration and carry 100 marks, except papers for which practical examination is held. The semester end examination question paper shall be 70 marks and divided into five units of equivalent weightage. 30 marks in each subject earmarked for internal assessment. In the case of subjects having practical

examination, semester end examination carry 50 marks while internal test and practical examination carry 30 marks and 20 marks respectively.

7.1 Candidates who have completed the course in each semester and have earned the necessary attendance and progress certificates shall be permitted to continue the next semester course irrespective of whether they have appeared or not at the previous examination (s). Such candidates may be permitted to appear for the examination of earlier semesters with the examinations of later semester end simultaneously provided a minimum percentage of attendance prescribed.

7.2 The university shall prepare examination schedule. The Chairman PG Board of Studies will prepare and recommend the list of paper setters and examiners to value the answer scripts for each semester. The answer scripts of all the courses shall be subject to double coded valuation. All those who have completed a minimum of three years of regularized experience in teaching MFC / MBA / M.Com. Courses shall be appointed as examiners for this purpose. The variation between first and second valuation shall be dealt with as per the rules of the university.

7.3 The semester end examination shall be based on the question paper set by the external examiner.

8. Programme Structure:

The scheme of instruction and the scheme of examination shall be given in annexure 1

9. Notwithstanding anything contained in the above regulations in the case of Project Report / Dissertation and Viva-Voce, a candidate shall obtain not less than 50% of marks to be declared to have passed in the examination.

10. Attendance:

Candidates shall put in attendance at the college for not less than 75% of the total number of working days. Condonation of shortage of attendance may be granted on the recommendation of the Principal of the College concerned. If a candidate represents the university efficiently at games, sports and other officially organized extra curricular activities, it will be deemed that he has attended the college on the day he is absent for this purpose.

11. Grading:

A candidate shall be declared to have passed the examination if he/she obtains a minimum of 5.0 SGPA in each semester. All other candidates shall be deemed to have failed in the examination. Candidates who have completed the course in each semester and have earned the necessary attendance and progress certificate shall be permitted to continue the next semester course irrespective of whether they have appeared or not at the previous examination (s). Such candidates may be permitted to appear for the

examination of earlier semester along with the subsequent semester examinations. The names of the successful candidates at the examination shall be arranged in the order in which they are registered for the examination on the basis of total marks obtained by each candidate in all the semester examinations put together in the case of MFC (Full time) course.

12. Distinction: Those who obtain CGPA 8.0 or more. I Class: Those who obtain 6.5 CGPA or more but less than 8.0, II class: Those who obtain CGPA 6.0 or more but less than 6.5. Pass: Those who obtain CGPA 5.0 or more but less than 6.0. Only those candidates who appear and pass the examination in all papers of the four semesters in the case of MFC (Full time) degree examination at first appearance are eligible to be placed in first class distinction. However, no candidate who has not passed all the papers relating to any semester at the first appearance shall be eligible for the award of any medals or prizes by the University and to receive certificates of rank obtained by them in the examination.

13. Practical Training:

Candidates shall undergo practical training in an organization for a minimum period of eight weeks and submit a report thereon along with a practical training certificate obtained from the organization. Practical training shall be guided and certified by the teacher-guide. The practical training shall be conducted during summer vacation at the end of second semester.

14. Project Work:

The purpose of the project work is primarily to demonstrate the application of knowledge of skills acquired in the four semesters of the programme by studying and analyzing selected problem in the work situation in a systematic manner while suggesting solution to the management.

15. Improvement Provision:

A candidate declared to have passed Master Degree Courses in Finance & Control and semester end system obtaining third or second class may reappear for the same examination to improve their class as per the University rules in force.

16. Total marks:

First Year:	I semester	:	600	Marks
	II semester	:	600	Marks
	Viva-Voce Examination	:	100	Marks
	Total	:	1300	Marks
Second Year:	III Semester	:	600	Marks

IV Semester	:	600	Marks
Project Report	:	100	Marks
Viva-Voce	:	100	Marks
Total	:	1400	Marks
Grand Total	:	2700	Marks

17. Instruction Hours:

Minimum number of hours per subject per week is six.

18. Viva – Voce Examination:

The candidates who passed all earlier semester end examinations and to appear for Viva-Voce examination which is conducted at end of second semester as well as fourth semester end by the Board consisting three internal examiners and two external examiner in the respective area. A candidate who failed in a paper or a candidate who has not appeared for any earlier examination for any papers in any semester is not eligible for Viva-Voce examination. Such candidates have to appear for next year only after completing all the papers in the earlier semesters.

Annexure – I
MFC (Full Time Programme)
w.e.f 2009 – 2010 Academic Year

Paper of subjects in each semester

Semester – I

Paper Code	Title of the paper	Internal Marks	Semester end marks	Hours per week	Credit
101	Perspectives of Management	30	70	06	06
102	Managerial Economics	30	70	06	06
103	Corporate Legal Frame Work	30	70	06	06
104	Statistical Analysis for Business Decisions	30	70	06	06
105	Financial Management	30	70	06	06
106	Principles of Financial Accounting	30	70	06	06

Semester - II

Paper Code	Title of the paper	Internal Marks	Semester end marks	Hours per week	Credit
201	Accounting for Management	30	70	06	06
202	Computer Applications in Business Decisions	30	70 *	07	07
203	Financial Management in Banks	30	70	06	06
204	Financial Systems & Stock Market Operations	30	70	06	06
205	Financial Management in Insurance Companies	30	70	06	06
206	Marketing & Services Management	30	70	06	06
207	Viva – Voce 100 Marks				

- * (i) 50 Marks – Semester End Exam
(ii) 20 Marks - Practicals

SEMESTER – I

MFC 101: PERSPECTIVES OF MANAGEMENT

Objective:

To familiarize the students with basic management concepts and organizational Behaviour.

Unit I:

Management – Evolution of Management Thought Principles of Management – Functions and Theories of Management .Social Responsibility of Management.

Unit II:

Planning – Nature, purpose and Importance of Planning – Types of Plans-Steps in Planning- Planning Premises and Forecasting – process of Decision Making-Decision Tree Analysis.

Unit III:

Organization – principles of Organization – Formal and informal Organization – types of Organization Structure – Line and Staff Relations – Delegation – Decentralization – Span of Control.

Unit IV:

Direction – Leadership Theories and Styles – Motivation – Theories-Morale – Process of control – Techniques of control.

Unit V:

Organizational Behaviour: Meaning and Importance – inter and Intra Group conflicts – Inter – personal relationships – organizational culture and change Principals, Process and Techniques of Control.

(Case Study is compulsory in all Units)

Suggested Books:

1. James A.F. Stoner, R. Edward Freeman & Danirl R. Gilbirt Jr. Management, PHI India.
2. Heinz Wehrich & Harold Koontz, Essential of Management, Tata McGraw Hill Intl.
3. Vimani, Managing People in Organizations, Sage Response Books, New Delhi.
4. Bajaj: Management Process and Organization, Excel Publications.
5. John F. Wilson – The making of Modern Management, Oxford University Press.
6. Ricky W. Griffin, Management 8th Edition, Wiley India, New Delhi.
7. Stephen Robbins and Marry Coulter, Management, Prentice Hall of India.

MFC 102: MANAGERIAL ECONOMICS

Objective:

To enable the students to understand economic concepts and theories and their application in management decision-making.

Unit I:

Introduction: Nature and Scope of Managerial Economics; Objectives of the Firm-Traditional Theory, Sales and Revenue Maximizing Theories, Managerial Theories and Behavioral Theories; Profit Maximization.

Unit II:

Demand Analysis: Demand-Meaning, Determinations of Demand, Demand Function; Law of Demand; Elasticity of Demand – Price, Income, Cross and Promotional or Advertising Elasticity of demand, Managerial Uses of Elasticity of Demand; Demand Forecasting Elasticity Quantitative and Qualities Techniques of Demand Forecasting –Methods for Existing New Products, Criteria for Good Forecasting Method.

Unit III:

Production Analysis: Production Function-Law of Variable Proportions, Isoquant and Isocost Curves, Least Cost Combination, and Returns to Scale; Economies of Large Scale; Cobb-Douglas Production Function and Constant Elasticity of Substitution – Production Function; Cost concepts, Cost Oriented Pricing Methods.

Unit IV:

Market Analysis: Price and Output Determination under Perfect Competition; Monopoly, Oligopoly and Monopolistic completion Profit – Meaning and Profit Theories – Profit Planning-Measurement.

Unit V:

Economic Optimization: Economic Problems and Optimization Techniques – Unconstrained and Constrained Optimization; Unbounded Maxim – Optimization of Functions of One Variable and Optimization with Multivariate Function.

(Case Study is compulsory in all Units)

Suggested Books:

1. Dean, Joel: Managerial Economics, PHI.
2. Peterson H. Craig, Lewis W. Chris and Jain Sudhir K. Managerial Economics, Pearson Education, 2006.
3. Trivedi M.L: Managerial Economics, Theory and Applications, Tata McGraw Hill Publishing Company, 2002.
4. Suma Damadaran – Managerial Economics, Oxford University Press.
5. Mehta, P.L: Managerial Economics, Text and Cases, S. Chand & Co.
6. Mithani, D.M: Managerial Economics, Theory and Applications, Himalaya Publishing.
7. Attmanad; Managerial Economics, Excel Publications.

MFC 103: CORPORATE LEGAL FRAMEWORK

Objective:

The objective of this course is to familiarize students with the relevant provisions of various laws influencing business.

Unit 1:

Indian Contract Act 1872

Definitions essentials of a valid contract offer acceptance free consent consideration legality of object capacity to contract discharge of contract consequences of breach of contract.

Sale of goods Act:

Definitions conditions and warranties Transfer of property right of unpaid seller.

Unit II: The Negotiable Instruments Act 1881

Definitions of negotiable instruments Negotiation Holder and holder in due course payment in due course Endorsement and crossing of cheque Presentation of negotiable instruments.

Unit III: The Companies act 1956:

Definitions and types of companies, Memorandum of association Articles of association Prospectus; share Capital and membership; Meetings and resolutions; Company managements; winding up and dissolutions of companies.

Unit IV: Restrictive and Unfair Trade Practices Consumer Protection Act; 1969 Monopolistic trade practices Restrictive trade practices Unfair trade practices The Consumer protection Act 1986 – Salient features Definition of consumer rights of consumer Grievance redressal machinery.

Unit V: Regulatory frame work of WTO; Basic principles and charter of WTO; Provisions relating to preferential treatment of developing countries; Regional groupings; Technical standards; Anti – dumping duties and other NTBs; custom valuation Dispute settlement TRIPS and TRIMS.

(Case Study is compulsory in all Units)

Suggested Books:

1. Avadhani V.A. SEBI Guidelines and Listing of Companies.
2. Indian Contract act 1872.
3. SEBI Act 1992.

MFC 104: STATISTICAL ANALYSIS FOR BUSINESS DECISIONS

Objective: The objective of this course is to make the students learn the application of statistical tools and techniques for decision making.

Unit I: Univariate Analysis: An overview of central tendency, dispersion, and skewness. Probability Theory: Probability – classical, relative, and subjective probability; Addition and multiplication probability models; Conditional probability and Baye's theorem.

Unit II: Probability Distributions: Binominal, Poisson, and normal distribution; Their characteristics and applications. Statistical decision Theory: Decision environment; Expected profit under uncertainty and assigning probabilities; Utility theory.

Unit III: Sampling and data Collection: Sampling and sampling (Probability and non-Probability) methods; Sampling and non-sampling errors; Law of Large Number and Central Limit Theorem; Sampling distributions and their characteristics.

Unit IV: Data sources – primary and secondary: Primary data collection techniques – schedule, questionnaire, and interview. Statistical Estimation and Testing: point and interval estimation of population mean, proportion, and variance: Statistical testing – hypothesis and errors; Sample size; Large and small sampling tests – Z tests, T tests, and F tests. Non parametric Tests: Chi-square tests; Sign tests; Wilcoxon Signed – Rank tests; Wald – Wolfowitz; Kruskal-Wallis test.

Unit V: Correlation and Regression Analysis: Two variables case. Index Numbers: Meaning and types; Weighted aggregative indices – Laspeyre's and Paasch's indices; Laspeyre's and Paasch's indices compared; indices of weighted average of (price – quantity) relatives; Tests of adequacy; Special problems – shifting the base; spicing overlapping index series; Uses and problems. Statistical Quality Control: Causes of variations in quality characteristics; Quality control charts – purpose and logic; Constructing a control chart – computing the control limits (X and R charts); Process under control and out of control; Warning limits; Control charts for attributes – fraction defectives and number of defects; Acceptance sampling.

References:

1. Hooda, R.P: Statistics for Business and Economics, Macmillan, New Delhi.
2. Hien, L.W: Quantitative approach to Managerial Decisions, Prentice Hall, New Jersey.
3. Lawrence B. Morse: Statistics for Business & Economics, Harper Collins, New York.

MFC 105: FINANCIAL MANAGEMENT

Objective: To equip the students with basic principals of Financial Management and Techniques.

Unit I: Nature, Scope and Objectives of Financial Management, Goals of FM – Profit Maximization Vs Wealth Maximization – Finance – Financial Planning and Forecasting – Role of Financial Manager – Funds Flow Analysis – Cash Flow Analysis – Ratio Analysis.

Unit II: Financing Decision: Financial Leverage – EPS-EBIT Analysis – Cost of Capital – Weighted Average Cost Capital – Capital Structure – Factors Affecting Capital Structure Theories of Capital Structure.

Unit III: Investment Decision: Nature and Significance of Investment Decision – Estimation of Cash Flows – Capital Budgeting Process – Techniques of Investment Appraisal: Pay Back Period; Accounting Rate of Return, Time Value of money – DCF Techniques – Net Present Value, Profitability Index and Internal Rate of Return.

Unit IV: Dividend Decision: Meaning and Significance - Theories of Dividend – Determinants of Dividend policy – Bonus Shares – Stock Splits.

Unit V: Working Capital Decision: Meaning – Classification and Significance of Working Capital – Component of Working Capital – Cash Budgeting – Accounts Receivables – Credit Policies – Inventory Management.

(Case Study is compulsory in all Units)

Suggested Books:

1. Pandey I.M. – Financial Management, Oxford University Press.
2. Prasanna Chandra – Financial Management, Tata McGraw Hill.
3. MacMillan, Jim – Financial Management, Oxford University Press.
4. Paresch P. Shah, Financial Management, Wiley India New Delhi.
5. Khan & Jain – Financial Management, Tata McGraw Hill.
6. James C. Van Home – Financial Management & Policy, Prentice Hall of India.
7. Subhirkhat, Financial Management, Excel Books.

MFC 106: PRINCIPLES OF FINANCIAL ACCOUNTING

Objective: The objective of this course is to enable students understand accounting concepts, tools and techniques used for taking managerial decisions.

Unit I: Introduction: Nature, scope and importance of financial accounting; Basic accounting concepts and conventions; Recognition of revenues and expenses; Accounting cycle and accounting equation; GAAP and accounting standards – Indian and international.

Unit II: Accounting Books and Final Accounts: Journal, cash book, sales book, purchase book etc.; Preparation of trial balance Profit and loss account and balance sheet; Bank reconciliation statement

Unit III: Final accounts of companies – preparation of trading profit and loss and balance sheet.

Unit IV: Cost Accounting: Meaning, importance and scope of cost accounting; Elements of cost material, labour and overhead costs Method and types of costing; Cost classification; Cost sheet.

Unit V: Cost Ascertainment; Unit costing, Job costing; Process costing; Contract costing. Differential costing; Incremental costing; Product line costing - Reconciliation of cost and financial accounts.

Suggested Books:

1. Beans, F.A: Advanced Accounting, Prentice Hall, New Jersey.
2. Engler, C., L.A. Bernstein and K.R. Lambert: Advanced Accounting, Irwin, Chicago.
3. Gupta, R.L: Advanced Financial Accounting, S.Chand & Co. New Delhi.
4. Shukla, M.C and T.S. Grewal: Advanced Accountancy, S. Chand & Co. New Delhi.

SEMESTER – II

MFC 201: ACCOUNTING FOR MANAGEMENT

Objective: to develop an insight of postulates, principles and techniques of accounting and utilization of financial and accounting information for planning, and decision-making.

Unit I: Accounting for Management – Nature and Scope – Management Process and Accounting – Financial Accounting Vs Cost Accounting Vs Accounting for Management – Role of Account in Modern organization.

Unit II: Absorption Vs Marginal Costing – Cost – Volume – Profit Analysis – Cost Behaviour – Breakeven Analysis – Contribution Approach – Profit Planning.

Unit III: Cost Concepts for Decision making – Decision Making Process – Decision Situations – Sales Volume Decisions – Pricing and Special Order Pricing – Make / Buy Decisions – Product Decisions – Addition, Deletion and Alteration of Mix – Plant Shutdown Decision.

Unit IV: Budgeting – Types of Budgets – Financial Vs Operation Budgets – Short Term Vs Long Term Budgets – Preparation of Sales Budgets – Purchase Budgets – Expenditure Budgets for Material, Labour and Overheads – Construction of Cash Budget – Flexible Budget – Master Budget – Management Control and Budgeting – Performance Budgeting and Zero Based Budgeting

Unit V: Responsibility Accounting – Concepts – Steps – Responsibility Centre – Types of Responsibility Centres: Cost Centre, Revenue, Profit Centre and Investment Centre (Including Problems). Inflation Accounting – Concept – Limitations of historical based-cost financial statements – Methods of Inflation Accounting: Current Purchasing Power Method – Current Cost Accounting Methods (Including Problems).
(Case Study is compulsory in all Units)

Suggested Books:

1. I.M. Pandey: Management Accounting Vikas Publishing House, New Delhi.
2. Marriot, Introduction of Accounting, Sage Response Books.
3. Hug Coombs and David Hobbs and Elis Jenkins, Management Accounting: Principles and Applications, Sage Response Books.
4. T.P. Ghosh: Fundamentals of Management Accounting, Excel Publications.
5. Chakraborty, Hrishikesh – Management Accountancy, Oxford University.
6. N.M. Singhvi, Management Accounting, Text and Case, Prentice Hall of India.
7. Paresh P. Shah, Management Accounting, Wiley India, New Delhi Publications.

MFC 202: COMPUTER APPLICATIONS IN BUSINESS DECISIONS

Objective: The objective of this course is to provide an understanding of computers, computer operating system, and application of relevant software in managerial decision-making.

Course Inputs:

Unit I: Computer Hardware: Computer system as information processing system; Computer system differences – types of computer systems, hardware options-CPU, input devices, output devices, storage devices, communication devices, configuration of hardware devices and their applications - Personal Computers: PC and its main components, hardware configuration, CPU and clock speed, RAM and secondary storage devices, other peripherals used with PC; Factors influencing PC performance; PC as a virtual office.

Unit II: Modern Information Technology: Basic idea of Local Area Networks (LAN) and Wide Area Networks (WAN); E-mail; Internet technologies, access devices, concept of a world wide web and Internet browsing; Multimedia - Introduction to Operating System: Software needs, Operating system, application softwares, programming languages; Dos; Windows – window explorer, Print Manager, Control Panel, Paintbrush, Calculator, Desktop, My computer settings, find, run; UNIX.

Unit III: Word Processing: Introduction and working with MS-Word in MS-Office; word basic commands; Formating – text and documents; Sorting and tables; working with graphics; Introduction to mail-merge - Spread Sheets: Working with EXCEL – formatting, function, chart features; Working with graphics in Excel; Using worksheets as database in accounting, marketing, finance and personnel areas.

Unit IV: Introduction to Lotus Smart Suite for Data Sheet Analysis: Structure of spreadsheet and its applications to accounting, finance and marketing function of business; Creating a dynamic / sensitive worksheet, concept of absolute and relative and concept of absolute and relative cell reference; Using various built-in functions-mathematical, statistical, logical and finance functions; Goal seeking and back solver tools, using graphics and formatting of worksheet, sharing data with other desktop applications, strategies of creating error-free worksheet. Presentation with Power-Point: Power-point basis, creating presentations the easy way; Working with graphics in Power-point; show time, sound effects and animation effects.

Unit V: Introduction to Accounting Packages: Preparation of Vouchers invoice and salary statements; Maintenance of Inventory records; maintenance of accounting books and final accounts; Financial reports generation. Practical knowledge on Wings Accounting and Wing Trade (Softwares) - Talley etc. Introduction to Statistical Packages: Usage of statistical packages for analysis in research – Lotus and Excel, SPSS; SYSTAT.

Suggested Books:

1. Effy Oz: Management Information Systems, 5e, Thomson 2007.
2. V. Rajaraman, Introduction to Information Technology – Prentice hall of India Private Limited.
3. Sanjay Saxena – A First Course in Computers, Vikas Publishing House.

MFC 203: FINANCIAL MANAGEMENT IN BANKS

Objective: This course aims at developing necessary skills for applying the principles of financial analysis to management of funds by commercial banks.

Unit I: Liquidity Management in Commercial Funds: Managing the cost of Funds – Bank capital and Liquidity – Composition of Bank Liabilities (Small and Large) – Calculating Transaction Cost and Cost of Funds Marginal - Cost Analysis – Borrowings from market - Management of Capital Funds in commercial Banks: Meaning and function of capital funds; necessity of adequate capital funds; Standard to measure capital adequacy; Present position in India with respect to capital adequacy – Base II – Norms.

Unit II: Management of Reserves: Nature and purpose of primary reserves; Legal reserves – nature and function; Working reserve – nature and function; cash management in commercial banks. Management of Secondary Reserves: Nature and function of Secondary reserves; Factors influencing secondary reserves; Estimation and management of secondary reserves.

Unit III: Management of Bank Deposits: Relevance of marketing approach to deposit mobilization in banks; Concept of bank marketing; Formulating marketing strategies for commercial banks- opportunity analysis, target market, competitive positioning; Implementing marketing strategy. Management of Bank Loans: Characteristics of commercial loans; Loans policy in a commercial bank; Evaluating loan application – Credit information, credit analysis, credit decision; Priority sector lending policies of commercial banks in India.

Unit IV: Management of Bank Investment: Nature and principles of security investment of commercial banks; Formulating investment policy; volume and pattern of investment of commercial banks in India – NPA Management – Reasons – Impact – Strategies to Manage NPAs in Banks.

Unit V: Performance Evaluation and Monitoring in Banks: Performances of banks – Branch expansion, deposit mobilization and credit deployment; Profitability performance; Structure and pattern of income and expenditure in commercial banks in India – Risk Management in Banks – Interest rate risk – credit risk – liquid risk – implementation of ALM.

Suggested Books:

1. Jadhav, Narendra: Challenges to Indian Banking, ed. Macmillan, New Delhi.
2. Joel, Bessis; Risk Management in Banking, John Wiley.
3. Kotch, Timothy W: Bank Management, Dryden Press, Chicago.
4. Sinkey, Joseph F. Jr: Commercial Banks Financial Management, Prentice Hall, Delhi.
5. Tannan, M.L: Banking Law and Practice, Indian Law House, Delhi.
6. Khan M Y Indian Financial System – Theory and Practices; Vikas Publishing House, New Delhi.
7. Mishkin Frederics S: The Economics of Money Banking and Financial Markets; Harper Collins, New York.

MFC 204: FINANCIAL SYSTEM & STOCK MARKET OPERATIONS

Objective: This course aims at providing students with an understanding of the structure, organization, and working of financial markets and institutions in India.

Unit I: Introduction: Nature and role of financial system; Financial system and financial markets; Financial system and economic development; Indian financial system – an overview.

Unit II: Financial Markets: Money and capital markets; Money market – meaning, constituents, functions of money market; money market instruments – call money, treasury bills, certificates of deposits, commercial bills etc., Recent trends in Indian money market; Capital market – primary and secondary markets; Depository system; Government securities market; Role of SEBI – an overview; Recent developments.

Unit III: Secondary market operations – Role – Importance - Organization of Stock exchanges; National Stock Exchange and over the counter Exchange – Listing rules, procedure including formats, formalities; Listing of securities in Stock Exchanges – Trading mechanism – Screen based trading - Insider trading - Internet based trading - Share Price Indices - BSE and NIFTY Index - Need and importance - Compiling of index numbers and interpretation.

Unit IV: Depository services - Role and Importance - The Depositories Act, 1996; SEBI 1996; SEBI Regulation 1996; National Securities Depository Ltd; Depository participant – Role of NSDL – CSDL.

Unit V: Trading – Clearing – Settlement in cash and F&O segment - Accounting records for buying / selling transactions; Nature of transaction – cash and forward; settlement of trades and clearing in India – Role of Brokers – Clearing House – Regulation relating to clearing and settlement in India.

Suggested Books:

1. Dalton, John M; How the Stock Market Works, Prentice, New Delhi.
2. Gupta, L.C: Stock Exchange Trading in India; Society for Capital Market Research and Development, Delhi.
3. Machi Raju, H.R: Merchant Banking: Wiley Eastern Ltd, New Delhi.

MFC 205: FINANCIAL MANAGEMENT IN INSURANCE COMPANIES

Objective: This course aims at developing necessary skills for applying the principles of financial analysis to management of funds by Insurance.

Unit I: Principles and Practices of Insurance: The concept of insurance – classification of insurance – basic principles of insurance – Utmost Good faith – Insurable Interest – Material facts – Indemnity – Proximate cause - economic principles of insurance – Sharing – Subrogation – Contribution - role of insurance in national economy - Meaning, functions and scope of life, fire engineering, accident, marine and aviation insurance - Insurance Act 1938.

Unit II: Risk Management Through Insurance: Role of Insurance; Benefits and limitations; Risk management policies – fire insurance; Engineering Insurance – Machinery breakdown insurance; Public liability insurance – compulsory public liability insurance; products liability, professional indemnities, employers' liability insurance; Special features – types of cover – marine insurance, aviation insurance including inland rail / road transit insurance.

Unit III: Introduction to life insurance different types of policies – uses of life and health insurance – Claim settlement procedures – Different types of claims settlements – Maturity claims – Death claims – Settlements options – Valuation – Problems of settlement – Provisions relating to claim settlements operations.

Unit IV: Life Insurance Organization – The distribution system - Appointments of Agents – Functions – Remuneration – Bank assurance – Role of Banks – Bank Insurance Life Insurance Management and Operation – Marketing of Life and health insurance - underwriting life insurance.

Unit V: Pricing life and health insurance – actuarial principles – Net premiums – Life Insurance Reserves and cash values – Theory of pricing of life and health insurance – Re-insurance – Consumer Protection – Ombudsman.

Suggested Books:

1. Kenneth Black, Jr., & Harold D.
2. Skipper, Jr. "Life and Health Insurance", Pearson Publications, Delhi.

MFC 206: MARKETING & SERVICES MANAGEMENT

Objective: To develop an understanding of the concepts, issues and strategies in marketing and its management.

Unit I: Importance and Scope of Marketing: Concepts of Marketing – Tasks – Marketing Mix – Product – Pricing – Place – Promotion - Marketing Environment - Marketing and Customer Value – Industrial Marketing - Services Marketing - Global Marketing.

Unit II: Introduction to Services Marketing - Importance and characteristics of Services - Growth of Services Sector - Services in the Indian Economy - Services Strategy.

Unit III: Consumer Behaviour in Services - Market Segmentation and Services Positioning - Service Demand Management Designing and Managing Service Product.

Unit IV: Service quality Management - Service Quality Audit – GAP Model of Service Quality – Total quality Services Marketing – Service Excellence - Pricing of Services – Pricing Strategies Linked to Value Perceptions.

Unit V: Service Distribution – Managing Physical Evidence – Internal Marketing.-: External Marketing: Word of Mouth Communication - Interactive Marketing - Management of Moments of Truth – Service Deficiencies – Consumer Grievance Recovery Strategies.

(Case Studies are Compulsory)

Suggested Books:

1. Philip Kotler and Kevin Lane Keller: Marketing Management, Prentice Hall of India / Pearson Education, New Delhi.
2. William J Stanton, Fundamentals of Marketing, McGraw-Hill, New Delhi.
3. V.J. Ramaswami and S. Namakumari: Marketing Management, Macmillan Business Books, Delhi.
4. K. Rama Mohan Rao: Services Marketing, Pearson Education, New Delhi.
5. Valeri Zeithmal and Mary Jo Bunter: Services Marketing, Tata McGraw Hill, New Delhi.
6. Apte – Services Marketing, Oxford University Press.
7. Bhattacharya: Services Marketing, Excel Publishers.

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SEMESTER III

MFC 301: INVESTMENT MANAGEMENT

Objective: This course exposes the students to the various concepts of investment management and provides an in-depth study of various issues there under.

Unit I: Investment Decisions - Nature and scope of investment analysis; Elements of investment-return, risk and time elements; Objectives of investment- Investment Vs Speculation – Investment Vs. Gambling- Types of Investments- Financial investments – securities and derivatives, deposits, tax-sheltered investments; Non-financial investment – real estate, gold and other types and their characteristics;- Sources of financial information- Investment Process.

Unit II: Fundamental Analysis and investment decisions- Intrinsic value – importance -Economic analysis, industry analysis and company analysis-interpretation of fundamental analysis – advantages – limitations.

Unit III: Technical Analysis and investment decisions: Various prices and volume indicators, indices and moving averages; Interpretation of various types of trends an indices – Dow Theory – fundamental analysis Vs. technical analysis – technical analysis & market movements – interpretation – limitations.

Unit IV: Efficient Market Hypothesis – Random walk theory - Weak, Semi-strong market; Testing of different forms of market efficiency and their significance – relationship between EMH and Fundamental analysis and Technical analysis – limitations of EMH.

Unit V: Investment Environment in India –Changing investment habits – investment culture – recent changes in Indian Capital and money markets -Investment Indicators – Investment avenues – selection of investment decisions – problems in selection of investment decisions -computation and interpretation of Sensex –BSE Index – Nifty- : Investment policies of individuals- considerations- Tax saving schemes in India.

Suggested Books:

1. Agarwala, K.N. and Deeksha Agarwala; Bulls, Bears and the Mouse, Macmillan, New Delhi.
2. Cheny, J and E. Muses: Fundamentals of Investments, Paul, New York.
3. Clark, James Fransis: Investment – Analysis and Management, McGraw Hill, International Edition.
4. Dallon, John M: How the stock Markets works, Prentice Hall, Delhi.
5. Domodran: Investment Valuation, John Wiley, New York.
6. Fabozzi Frnak J: Investment Prentice Hall, International Edition.
7. Fischer, Donald, E and Ronald, J. Jordan: Security Analysis and Portfolio Management, Prentice Hall, Delhi.

MFC 302: MANAGEMENT OF FINANCIAL SERVICES

Objectives: This course exposes the students to the various concepts of financial services and provides an in-depth study of various issues there under.

Unit I: Financial Services: Concept, Nature and Scope of Financial Services –fund based vs. fee based financial services - Regulatory Frame Work of Financial Services – Growth of Financial Services in India – NBFCs – meaning – functions - Regulation of NBFCs.

Unit II: Merchant Banking – Meaning-Types – Responsibilities of Merchant Bankers – Role of Merchant Bankers in Issue Management – Regulation of Merchant Banking in India – Underwriting services – Regulation of underwriters in India

Unit III: Venture Capital – Growth of Venture Capital in India – Financing Pattern under Venture Capital – Legal Aspects and Guidelines for Venture Capital - Leasing – types of Leases – Evaluation of Leasing Option Vs. Borrowing.

Unit IV: Credit Rating – Meaning, Functions – Debt Rating System of CRISIL, ICRA and CARE. Factoring, Forfeiting and Bill Discounting – Types of Factoring Arrangements – Factoring in the Indian Context.

Unit V: Debt Securitization – Concept and Application – De-mat Services-need and Operations- role of NSDL and CSDL – Housing finance – Role of National Housing Bank.

(Case Study is compulsory in all Units)

Suggested Books:

1. I.M. Bhole, Financial Institutions and Market, Tata McGraw Hill.
2. V.A.Avadhani, Marketing of Financial Services, Himalayas Publishers, Mumbai.
3. Vasant Desai, Indian Financial System, Himalaya Publisher.
4. Benton E.G. Financial Intermediaries an Introduction.
5. Edminister R.D., Financial Institution, Markets and Management.
6. Verma, J.C.A. Manual of Merchant Banking.
7. West Lake, M. Factoring.

MFC 303. FINANCIAL REPORTING & ACCOUNTING STANDARDS

Objectives: This course exposes the students to the various concepts of financial reporting and accounting standards in India and provides an in-depth study of various issues there under.

Unit 1: Financial Reporting – Concept – Objectives –Users purpose of financial reporting – factors influencing reporting practices – capital markets – legal system – regulation – inflation –political and economic ties – status of accounting profession – tax system – type of reporting regime - Development in Financial Reporting – True blood Report contents – The Corporate report (UK) – Qualities of financial reporting – Limitations of financial reporting practices.

Unit II.: Specific issues in Financial Reporting -- Interim financial reporting – disclosures in interim financial reporting - Disclosure requirements – interim reporting practice in India – difficulties - Segment Reporting – need – disclosure practices – segment reporting in India -difficulties in Segment reporting.

Unit III Recent changes in reporting practices – Human Resource reporting (accounting) – Social Reporting practices – Environmental reporting practices – accounting disclosures for price level changes – need for price level adjustment – Value added statements – economic value added.

Unit IV: Accounting Standards – objectives – types – role -impact of accounting standards on financial reporting practices -- Compliance with Accounting Standards -.Role of professional bodies – Accounting Standards Board- Indian GAAP – An overview of accounting standards in India.

Unit V: International Dimensions of Financial Reporting – recent developments – Multinational reporting practices – Harmonization of Accounting practices – Need – Obstacles – Process of Harmonization – Role IASB – Global accounting standards – International financial reporting Standards.

Suggested readings:

- 1.Jawaharlal "Accounting Theory", Himalaya Publishing Company, New Delhi, 2005.
- 2.Jawaharlal "Financial Reporting in India" Himalaya Publishing company, New Delhi.
- 3.Das Gupta "Financial Reporting in India" Himalaya publishing co. New Delhi
- 4.Shirin Rathore, "International Accounting", PHI, New Delhi
- 5.SP Jain & Narang, Advanced Accountancy – Accounting Standards" Kalyani Publishers.

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MFC 304: PORTFOLIO MANAGEMENT AND MUTUAL FUNDS

Objectives: This course exposes the students to the various concepts of Portfolio Management and Mutual Funds which provides an in-depth study of various issues there under.

Unit I: Security Valuation - Return and Risk of securities – Meaning and Measurement of Security Returns - Meaning and Types of Security Risks - Systematic Vs Non-systematic Risk Measurement of Total Risk – Intrinsic Value Approach to Valuation of Bonds – Preference Shares and Equity Shares.

Unit II: Portfolio analysis – Traditional Vs Modern Portfolio Analysis – Markowitz theory – Two securities and Three Securities Models – Risk Measurement through Covariance – Co-efficient of Correlation and Interpretation – Sharpe Model.

Unit III: Portfolio Selection – Optimal Portfolio Selection – Efficient Frontier and Portfolio Selection – Beta in the Portfolio – Traditional Portfolio Selection – CAPM (Capital Asset Pricing Model) – Security Market Line and Capital Market Line – Arbitrage Pricing Theory.

Unit IV: Portfolio Revision and Evaluation – Need – Meaning and Strategies of Portfolio Revision – Constrains in Portfolio Revision – Formal Plans – Consistent Rupee Value Plan – Consistent Ratio Plan – Variable Ratio Plan – Rupee Cost Average – Rules for Formal Plans – Portfolio Evaluation – Need – Importance – Meaning of Portfolio Evaluation – Measuring Portfolio Return – Risk Adjusted Returns – Differential Returns – Decomposition Return – Management of Performance Evaluation.

Unit V: Mutual Funds – Concept and Objectives - Functions – Types of mutual funds - Organization and management – Asset Management Company, Sponsor, Board of Trustee - Guidelines for Mutual Funds - Working of Public and Private Mutual Funds in India – Performance Evaluation of mutual funds – Sharpe's Performance measure – Treynor's Performance Measure – Jensen's Model.

(Case Study is compulsory in all Units)

Suggested Books:

1. Donald E. Filscher, Ronald J. Jordan, Security Analysis and Portfolio Management; Prentice Hall of India.
2. Prasanna Chandra, Investment Analysis and Portfolio Management, Tata McGraw Hill.
3. S. Kevin, Security Analysis and Portfolio Management, Prentice Hall of India,
4. S. Kevin, Portfolio Management, Prentice Hall of India.
5. J.C. Francis, Investments – Analysis and Management, McGraw Hall Int.
6. Khatri – Investment management and Security Analysis, Macmillan.
7. Avadhani, VA, SAPM, Himalaya Publisher Bhalla, VK Investment Management, S. Chand.

MFC 305: FINANCIAL ENGINEERING

Objectives: This course exposes the students to the various concepts of Financial Innovation and Research and provides an in-depth study of various issues there under.

Unit I: Introduction to Financial Engineering – Meaning, Scope and Need-Tools of Financial Engineering – Financial Engineering and Financial Analysis – Factors Contributing to the Growth of Financial Engineering – Financial Engineering Process.

Unit II: Financial Product Development – Need – Direction – Design – Testing and Introduction – Recent Debt Market Innovations – Zero Coupon Securities – Repo and reverse Market, Junk Bonds, Fixed Vs Floating Rate – Equity and Equity Related Instruments – Equity Options – Warrants – Equity Distribution – The Role of Equity in Corporate Capital Structure – Hybrid Securities – Meaning – Need and Types of Securities.

Unit III: Financial Engineering Process and Strategies – Overview – Changing Face of Liquidity Management – Asset Liability Management (ALM) in Banking sector – Hedging – Process of Hedging – Risk Management issues and Instruments – Liquidity Risk Management – Interest Rate Risk Management – Currency Risk Management – Role of GAP – Simulation – Duration Method – Value at Risk (VAR).

Unit IV: Corporate Restructuring – Mergers and De-mergers – Motives – Acquisitions – Takeover – LBO – Sources of Value in a Leveraged Buy Out – Disinvestments Process – Motives – The Role of Financial Engineer.

Unit V: Globalization and Financial Engineering – Meaning – Recent Developments Towards Financial Globalization – International Capital Markets and Instruments – Development of New Markets and Market Linkages – Recent Trends in Settlement and Clearing – Financing Engineering and Monetary Policy – Legal Protection for innovative Finance Products – Using a Copy Right – Patent Right and Trade Mark – Legal Protection Against Unfair Competition.

(Case Study is compulsory in all Units)

Suggested Books:

1. John F. Marshall & Vipul; K. Bansal, Financial Engineering; A complete Guide to Financial innovation, Prentice-Hall of India, Private Ltd., New Delhi, ZVI Bodie, Alex Kane, Alan J Marcus & Pitabas Mohanty, Investments, The McGraw-Hill Companies.
2. Gerald A. Fleischer, Capital Allocation Theory: The Study of Investment Decisions, Appleton-Century-Crofts, Merdith Corporation, New York.
3. Prasanna Chandra Financial Management, Tata McGraw Hill.

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MFC 306: CORPORATE TAX PLANNING AND MANAGEMENT

Objective: To acquaint the student with theoretical and practical knowledge of different Taxes and Tax Planning techniques.

Unit I: Direct taxes – Income Tax Act 1961 – Basic concepts – Income – Agricultural Income – Residential Status – Income exemption from tax – Income from House Property – Computation of Salary Income – Income from Business and Profession – Capital Gain from other sources – computation of Total Income.

Unit II: Indirect Taxes – Excise Duty – Introduction – Nature – Basic Concepts – Types and Taxable Event for Excise Duty.

Unit III: CENVAT – Input Goods and Services for CENVAT – Capital Goods for CENVAT – Exempted Final Products / Output Services – Customs Duty – Introduction – Basic Concepts – Scope and Converge of Customs Duty – Nature of Customs Duty – Classification for Customs – Types of Custom Duties – Exemptions from Customs Duty – Valuation for Customs Duty.

Unit IV: Introduction to Tax Planning – Nature of Tax – Essential components in levy of tax – Legal Principles of taxation laws – Five basic Rules of interpretation of statutes – Law Lexicon and Legal Maxims – Concepts of Tax Avoidance, Tax Evasion – Tax Planning and Tax Management.

Unit V: Tax Management Decisions – Tax considerations arising with regard to specific management decisions, such as make / buy, own / lease export / local sale, shut down / continue, Expand or Contract, Mergers and Amalgamations and New Capital Investment. Guidelines to Tax planning – Relief's – Concessions – Rebates – Deductions – Incentives (Payment of Advance Tax – Filing of Returns – Refunds – Penalties for non-compliance.

Suggested Books:

1. Vinod K.Singhania and Mounica singhnia, Corporate Tax Planning and business Management, Taxmann Publications.
2. Vinod K.Singhania and Kapil Singhania, Direct Taxes – Law and Practice, Taxmann Publications
3. R.N.Lakhotia, Corporate Tax Planning, vision publications.

Semester – IV

MFC 401: STRATEGIC FINANCIAL MANAGEMENT

Objectives: This course exposes the students to the various concepts of strategic issues relating to financial management and provides an in-depth study of various issues there under.

Unit I: Financial Goals and Strategy – Shareholder Value Creation (SCV): Market Value Added (MVA) – Market-to-Book Value (M/BV) – Economic Value Added (EVA) – Managerial Implications of Shareholder Value Creation.

Unit II: Financial Strategy for Capital Structure: Leverage Effect and Shareholders' Risk – Capital Structure Planning and Policy – Financial Options and Value of the Firm – Dividend Policy and Value of the Firm.

Unit III: Investment Strategy – Techniques of Investment Appraisal under Risk and Uncertainty – Risk Adjusted Net Present Value – risk Adjusted Internal Rate of Return – Capital Rationing – Decision Tree Approach for Investment Decisions – Evaluation of Lease Vs borrowing Decision.

Unit IV: Merger Strategy – Theories of Mergers – Horizontal and Conglomerate Mergers – Merger Procedure – Valuation of Firm – Financial Impact of Merger – Merger and Dilution Effect on Earnings Per Share – Merger and Dilution Effect on Business Control.

Unit V: Takeover Strategy – Types of Takeovers – Negotiated and Hostile Bids – Takeover Procedure – Takeover Defenses – Takeover Regulations of SEBI – Distress Restructuring Strategy – Sell offs – Spin offs – Leveraged Buyouts.

(Case Study is compulsory in all Units)

Suggested Books:

1. Coopers & Lybrand, Strategic Financial: Risk Management, Universities Press (India) Ltd.
2. Robicheck, A, and Myers, S., Optimal Financing Decisions, Prentice Hall Inc.
3. James T. Gleason, Risk. The New Management Imperative Finance A Jaico Book.
4. Van Horn, JC, Financial Management and Policy, Prentice Hall.
5. Prasanna Chandra, Financial Management Theory and Practice, Tata McGraw Hill.
6. Weston JF, Chung KS & Heag SE., Mergers, Restructuring & Corporate Control, Prentice Hall
7. Pandy IM, Financial Management, Vikas.

MFC 402: PROJECT PLANNING AND CONTROL

Objective: The objective of this course is to enable the students to gain basic knowledge about the concept of project, project management, project life-cycle, project appraisal; to acquaint the students about various issues of project management

Unit I: Basics of Project Management –Concept– Project environment – Types of Projects – Project life cycle – Project proposals – Monitoring project progress – Project appraisal and Project selection – Causes of delay in Project commissioning– Remedies to avoid overruns. : Identification of Investment opportunities – Sources of new project ideas, preliminary screening of projects – Feasibility studies and reports – Stages of Project feasibility study – Components for project feasibility studies.

Unit II– Market feasibility -Market survey – Categories of Market survey – steps involved in conducting market survey – Demand forecasting techniques, sales projections.

Unit III: Technical feasibility : Production technology, materials and inputs, plant capacity, site selection, plant layout, site preparation, Managerial Feasibility Project organization and responsibilities. : Legal Aspects of Project Management – Legalities – Basic legal provisions. Development of Programme Evaluation & Review Technique (PERT) – Benefits of PERT – Assumptions in PERT modeling Construction of PERT (Project duration and valuation, slack and critical activities, critical path interpretation) – Critical Path –Method (CPM)

Unit IV: Financial Analysis – Capital Expenditure – Criteria and Investment strategies – Capital Investment Appraisal Techniques (Non DCF and DCF) – Risk analysis – Cost and financial feasibility – Cost of project and means of financing — Estimation of cash flows – Estimation of Capital costs and operating costs; Revenue estimation – Income – Determinants – Forecasting income – Preparation of detailed financial projections Operational feasibility -Heads of cost, estimates of cost of production – Breakeven point – Economics of working.

Unit V: Project Management –project implementation and review - Forms of project organization – project planning – project control – human aspects of project management – pre-requisites for successful project implementation – project review – performance evaluation – abandonment analysis – behavioral issues in project abandonment – administrative aspects of project abandonment.

Suggested Books:

1. Gido: Effective Project Management, 2e, Thomson, 2007.
2. Prasanna Chandra, "Projects, Planning, Analysis, Selection, Financing, Implementation and Review", TataMcGraw Hill Company Pvt. Ltd., New Delhi 1998.
3. Damodaran, "Corporate Finance", Johy Wiley Publications.
4. Erhardt & Brigham, "Principles of Corporate Finance", Thomson, 2006.
5. Singh M.K, "Project Evaluation and Management".
6. Prasad N.K, "Principles and Practice of Cost Accounting", 8. Pahwa, HPS, Project Financing.
7. Clifford F. Gray, Erik W. Larson, "Project Management, the Managerial Emphasis", McGraw Hill, 2000.

MFC 403: INTERNATIONAL FINANCIAL MANAGEMENT

Objectives: This course exposes the students to the various concepts of International Financial Management and provides an in-depth study of various issues there under.

Unit I: International Monetary and Financial System: Evolution; Breton Woods Conference and Other Exchange Rate Regimes; European Monetary System, South East Asia Crisis and Current Trends.

Unit II: Foreign Exchange Risk: Transaction Exposure; Accounting Exposure and Operating Exposure – Management of Exposures – Internal Techniques, Management of Risk in Foreign Exchange Markets: Forex Derivatives – Swaps, futures and Options and Forward Contract (

Unit III: Features of Different International Markets: Euro Loans, CPs, Floating Rate Instruments, Loan Syndication, Euro Deposits, International Bonds, Euro Bonds and Process of Issue of GDRs and ADRs.

Unit IV: Foreign Investment Decisions: Corporate Strategy and Foreign Direct Investment; Multinational Capital Budgeting; International Acquisition and Valuation, Adjusting for Risk in Foreign Investment.

Unit V: International Accounting and Reporting; Foreign Currency Transactions, Multinational Transfer Pricing and Performance Measurement; Consolidated Financial Reporting.

(Case Study is compulsory in all Units)

Suggested Books:

1. S.P. Srinivasan, B. Janakiram, International Financial Management, Wiley India, New Delhi.
2. V. Sharan, International Financial Management, 3rd Edition, Prentice Hall of India.
3. A.K. Seth, International Financial Management, Galgotia Publishing Company.
4. P.G. Apte, International Financial Management, Tata McGraw Hill, 3rd Edition.
5. Bhalla, V.K., International Financial Management, 2nd Edition, New Delhi, Anmol, 2001.
6. V.A. Avadhani, International Financial Management, Himalaya Publishing House.
7. Bhalla, V.K. Managing International Investment and Finance, New Delhi Anmol, 1997.

MFC 404: RISK MANAGEMENT AND FINANCIAL DERIVATIVES

Objectives: This course exposes the students to the various concepts of Risk Management and Financial Derivatives and provides an in-depth study of various issues there under.

Unit I: Risk Management – Concept – Risk management objectives – Risk Management Process – identification - measurement –evaluation & control- risk finance – Pure risk – cost of risk – managing pure risk – methods of managing risk – market risk – price risk – risk management & financial derivatives- Financial Derivatives – Meaning and Need – Growth of Financial Derivatives in India – Derivatives Markets – Participants – Functions – Types of Derivatives — The Regulatory Framework of Derivatives Trading in India.

Unit II: Features of Futures – Differences Between Forwards and Futures – Financial Futures – Trading – Currency Future – Interest Rate Futures – Pricing of Future Contracts – Value at Risk (VAR) – Hedging Strategies – Hedging with Stock Index Futures – Types of Members and Managing System in India – Futures Trading on BSE & NSE.

Unit III: Options Market – Meaning & Need – Options Vs futures – Types of Options Contracts – Call Options – Put Options – Trading Strategies Involving Options – Basic Option Positions – Margins – Options on stock indices – Option Markets in India on NSE and BSE.

Unit IV: Option Pricing – Intrinsic Value and Time Value – Pricing at Expiration – Factors Affecting Options pricing – Put-Call Parity Pricing Relationship – Pricing Models – Introduction to Binomial Option Pricing Model – Black Scholes Option Pricing Model.

Unit V: Swaps – Meaning – Overview – The Structure of Swaps – Interest Rate Swaps – Currency Swaps – Commodity Swaps – Swap Variant – Swap Dealer Role – Equity Swaps – Economic Functions of Swap Transactions – FRAs and Swaps.

(Case Study is compulsory in all Units)

Suggested Books:

- 1.Hull C. John, "Options, Futures and Other Derivatives", Pearson Educations Publishers.
- 2.David Thomas, W & Dubofsky Miller, Jr., Derivatives Valuation and Risk Management, Oxford University, Indian Edition.
- 3.N.D. Vohra & B.R. Baghi, Futures and Options, Tata McGraw-Hill Publishing Company Ltd.
- 4.Red Head: Financial Derivatives: An Introduction to Futures, Forward, Options, Prentice Hall of India.
- 5.David A, Dubofsky, Thomas W. Miller, Jr.: Derivatives: Valuation and Risk Management, Oxford University Press.
- 6.Snuil K. Parameswaran, "Futures Markets: Theory and Practice" Tata McGraw-Hill Publishing Company Ltd.
- 7.D.C. Parwari, Financial Futures and Options, Jaico Publishing House.
8. G. Kotreshwar, Risk Management- Insurance and Derivatives, Himalaya Publishing House

MFC 405: FINANCIAL AND MANAGEMENT AUDIT

Objectives: This course exposes the students to the various concepts of Financial and Management Audit and provides an in-depth study of various issues there under.

Unit I: Audit – concept – scope – objectives --Responsibilities and functions of an Auditor- classification of audit- Audit under Statute – Private audit – Internal audit – final audit – continuous audit – interim audit –financial audit- cost audit –management audit - Special audit under the companies Act-Audit & Accountancy – Advantages of Audit – Qualities of An auditor – professional – technical – ethical and confidentiality.

Unit II: Audit Planning & Programme – importance- stages in audit planning- development of an overall audit plan – audit programme–auditing techniques – audit evidence –methods of obtaining audit evidence- representation of management ..

Unit III: Internal Control & Audit :meaning and significance –internal check – internal audit – elements of internal control – basic principles governing internal control – stages in internal control evaluation – relationship between internal auditor and independent auditor – points of differences – qualities of internal audit personnel.

Unit IV: Audit Reports –Aspects of audit reports - basic features of an audit report –types of audit reports – true and fair view – liabilities of auditors for professional negligence – liability to third party – audit and investigation – audit certificate -

Unit V: Management Audit : Concept – scope –Objectives – significance -functions of Management auditor – Management audit Vs. Operational audit – Management Audit Vs. Financial Audit and Cost Audit – Quality audit and Management audit- Management audit process – management audit reports - Management audit and Management functions -- the role of management auditors in modern organizations.

Suggested Books:

1. Shekhar and Shekar , " Auditing", Vikas Publishing House, New Delhi.

MFC 406: CORPORATE GOVERNANCE AND BUSINESS ETHICS

Objectives: This course exposes the students to the various concepts of Corporate Governance and business ethics and provides an in-depth study of various issues there under.

Unit 1: Corporate Governance – concept -meaning – scope – need – Corporate Governance mechanism – Corporate Governance and stakeholders – Investors protection – obligation to investors –obligation to employees –obligation to customers – managerial obligation – obligation to government – Corporate governance and value maximization.

Unit II: Historical perspective of Corporate Governance – World Bank on Corporate Governance – OECD Principles – McKinsey survey on corporate governance – Sarbanes-Oxley Act 2002 – Indian Committees and guidelines and corporate governance- Naresh Chandra committee – Narayana murthy committee - J.J.Irani committee- Kumar mangalam birla committee – The Confederation of Indian industry's Initiatives – SEBI initiatives – Corporate Governance practices in India.

Unit III: Corporate Governance and role of Board of directors – Role of Board – governance issues relating to the Board – the role of directors – independent directors – Clause 49 of Listing agreement – Directors' remuneration – Corporate Governance Reporting and Best practices.

Unit IV: Corporate Governance and the role of Audit committees – role , duties and responsibilities of auditors –types of auditors –corporate governance and internal auditors – cost audit methodology – quality audit –Naresh Chandra Committee report on Corporate audit and governance.

Unit V: Corporate Governance and business ethics – meaning – scope – need for business ethics – roots of unethical behavior – unethical issues –corporate governance and ethics – the Indian context- Corporate Social Responsibility – meaning – scope – Corporate Governance and CSR – Social responsibility and Indian corporations. Corporate Governance and regulators role – SEBI – The future of Corporate Governance in India.

Suggested books:

- 1.A.C. Fernando, "Corporate Governance" Principles, policies and practices, Pearson Education, New Delhi.
- 2.Dr. Singh, Corporate Governance: Global concepts and practices.
- 3.ICSI, Corporate Governance – Modules of Best Practices.
- 4.Report on Corporate excellence on a sustained basis, Dr. M.R.Rao, Director, IIMB.