

5-3-08

From:
Prof.B.Ramakrishna Rao,
Special Officer.

To
The Registrar,
Andhra University,
VISAKHAPATNAM.

Sir,

Sub: P.G.Diploma in Financial Services (PT) Degree Course –
Submission of revised syllabi and scheme of Instruction – Reg.
Ref: Your letter No.L.II(3)/P.G.Dip. in Financial Services/2008
Dated 01-02-2008.

...

With reference to your above letter, I wish to inform you that the syllabi and scheme of instruction relating to P.G. Diploma in Financial Services (PT) Degree course which were submitted earlier for approval and already approved stands cancelled. However, there is no change in the regulations of the above course.

I am herewith submitting the revised syllabi and scheme of instruction of the above course designed and sent by A.P.State Council for Higher Education, Hyderabad for adoption with effect from 2007-08 Admitted Batch. I request you to approve the same.

Thanking You,

Yours faithfully,

(B.RAMAKRISHNA RAO)

Encl: As above.

Post Graduate Diploma in Financial Services.
Regulation and Course structure (w.e.f.2007)

1. Objective of the course:

The objectives of this course are

- i) To help in – service candidates especially those working in the realm of finance and accounting to update their knowledge for effective decision – making
- ii) To prepare fresh candidates to equip with latest trends in the area of finance
- iii) To provide opportunities to the students to learn contemporary concepts and trends in finance to those candidates who could not pursue their studies on a regular basis for various reasons

2. Medium of instruction is English only.

3. Admission into PG Diploma in Financial Services: Admission into PG Diploma in Financial Services is based on the marks obtained by the candidate in the Qualifying examination conducted by APSICHE, Hyderabad. The eligibility for the Qualifying examination is

- i) Any graduate other than BFA and BOL with 50% marks is eligible subject to the rule of reservation for SCs and STs .(or)
- ii) Candidates who passed CA,ICWA and other allied professional courses
- iii) The course is a part- time course open for both in – service as well as fresh candidates.

4. Duration

The duration of the course shall be one year consisting of two semesters with five theory papers in each semester

5. Marks qualifying for a pass and class

- i) A candidate shall be declared to have passed the course if he /she obtained not less than 45% of total marks on aggregate in each semester and not less than 40% in each paper
- ii) In the case of Project and comprehensive Viva-voce he is required to obtain not less than 50% of marks to be declared to have passed in the examination
- iii) The declaration of class is as follows
 - a) Ist class – 60%. And above 60%.
 - b) IInd class –Between 50% and less than 60%.
 - c) IIIrd class – Between 40% and less than 50%.

6. Reappearance provision :

If a candidate fails in any paper in any academic year, he may reappear for the same paper (s) in the subsequent year along with his/her juniors

7. The Viva-voce committee consists of

- i) Head of the Department (Convener)
- ii) Chairman PG Board of Studies
- iii) Two subject experts nominated by the University either within the University or outside the University

8. Course structure and scheme of examination:

POST GRADUATE DIPLOMA IN FINANCIAL SERVICES

Duration: One year

First Semester

Sl No.	Code	Paper	Internal Assessment	Sem End	Max Marks
1	101	Financial management	30	70	100
2	102	Financial markets	30	70	100
3	103	Investment & Portfolio Management	30	70	100
4	104	Office & Accounting Software	30	70	100
5	105	Business English	30	70	100

Second Semester

Sl No.	Code	Paper	Internal Assessment	Sem End	Max Marks
1	201	Issue Management	30	70	100
2	202	Stock Broking & Credit Rating Services	30	70	100
3	203	Leasing, Hire Purchase & Retail Banking Services	30	70	100
4	204	Housing Finance & Insurance Services	30	70	100
5	205	Marketing Financial Services	30	70	100
			Project Work		100
			Comprehensive Viva		100
			Grand Total		1200

PG DIPLOMA IN FINANCIAL SERVICES(PGDFS)

I Semester:

1.1 FINANCIAL MANAGEMENT

Objective: The objective of this paper is to introduce the students to financial analysis, and investment, finance and dividend decisions of financial manager.

UNIT-I: Introduction: Concept, nature and scope of Financial Management –Financial functions –Conflict of Financial goals – Organization of finance functions – Conflict and co-ordination between finance and non – finance functions

UNIT –II: Financial analysis : Funds flow and cash flow statements – Ratio analysis : Uses – Liquidity, leverage, activity and profitability ratios – exercises: Break even analysis- Uses and limitations – (Theory and problems).

UNIT- III: Investment decision: Capital budgeting – Investment criteria – NPV, Payback, IRR, ARR methods – Risk analysis in capital budgeting – exercises: Cost of capital: Significance , and cost of components – Weighted average cost of capital – (Theory and problems).

UNIT-IV: Finance and dividend decisions : Financial and operating leverages – Capital: structure theories – Net Income and MM approaches – Dividend models – Issues in dividend policy – Forms of dividends – (Theory and problems).

UNIT-V: Working capital management: Determinants and estimation of working capital: Cash budget preparation – Management cash flows: Credit policy variables –Monitoring book debts “ Inventory management techniques –ABC analysis– (Theory and problems).

Reference books:

1. I M Pandey, Vikas Publishing House, New Delhi.
2. Prasanna Chandra, T

1.2 FINANCIAL MARKETS

Objective: The objective of this paper is to make the student acquaint with Indian financial systems and its components –money market, capital market, secondary market and investment banking.

UNIT- I : Financial system : Economic units –Financial assets – Transfer of funds – Indian financial system – Functions, structure, growth –Financial system and economic development .

UNIT –II: Money market : Money Market Vs Capital Market – Significance – Components – Instruments – Institutions including primary dealers, Satellite dealers, DFHI –Money market Derivatives – Defects: Government measures.

UNIT-III: Capital market : Structure – Government securities market – Primary Vs secondary market –Primary market –Functions, intermediaries , instruments – SEBI – organization, functions , powers : reforms.

UNIT-IV: Secondary market: Listing of securities – Trading and settlement – Working of BSE,NSE and OTCEI –Stock market index – Depository system – Process- NSDL, CDSL –Custodial services – SHCIL.

UNIT –V Investment banking –Potential and Norms –Development banking – HSBC<ICICI,HDFC – Project appraisal: Technical, economic appraisal, and social cost – benefit analysis – Guidelines for project financing – project report preparation.

Reference books:

1. M.Y.Khan, Indian Financial System, Tata McGraw Hill, New Delhi.
2. E.Gordon and K. Natarajan, Financial Markets and Services, Himalya Publications.
3. L.M.Bhole, Financial Institutions and Markets, Tata McGraw Hill, New Delhi.
4. Vasant Desai, Inbdian Financial System, Himalya Publication, Bombay
5. H.R.Machiraju, Inbdian Financial System, Vikas Publications, New Delhi
6. B.V.Pathak, Inbdian Financial System, Pearson, New Delhi.
7. S.K.Gupta, N. Aggarwal and N.Gupta, Financial Institutions and Markets, Kalyani.

1.3 INVESTMENT AND PORTFOLIO MANAGEMENT

Objective: The objective of this paper is to equip the student to know how to evaluate the various alternatives of securities available in the capital market.

UNIT-I: Investment: Nature –Objectives – Process- Scope –Elements of investment – Measurement of risk and return –Types of Investment – Financial investments –Non – financial investments – Sources of investment information(theory only).

UNIT-II: Security analysis: Objectives of security analysis – Fundamental analysis – Economic, Industry and Company analysis – Technical analysis – Dow Theory – Efficient market theory –Implications –Random Walk theory –Strong Semi-Strong and Weak Forms of Efficient market – (theory only).

UNIT-III: Valuation of securities : Valuation of equity shares – Equity risk and return – Capitalization of dividends – Valuation of debt securities – Interest rate risk and Purchasing power risk – Yield curves – Risk Premium funds –Macaulay’s duration - (theory and Problems).

Unit –IV: Portfolio theory: Capital Market Theory –Assumptions – Capital market line – Portfolio selection – Capital Asset Pricing Model – Assumptions –Security market line-Arbitrage Pricing Theory – Assumptions - (Theory and Problems).

UNIT-V: Portfolio Evaluation and Revision: Measures of portfolio performance- rewards to variability and volatility – Sharpe’s Performance Index – Tenor’s performance Index – Portfolio revision – Formula plans (theory and Problems).

Reference books:

1. Preethi Singh, Investment Management, Security Analysis and Portfolio Management, Himalya Publishing House, New Delhi, 2005.
2. Avadani, VA Securities Ananalysis and Portfolio Management, Himalya Publishing House, New Delhi, 2004.
3. Sulochana, M., Investment Management , Kalyani Publishers, New Delhi, 2003.
4. Dhamodharan, Investment Valuation Johnweely and sons, New York.
5. Donald E.Fischer & Ronald J.Jordan – Security Analysis and Portfolio Management, Pearson Education (Singapore) Pvt. Ltd., New Delhi
6. Prasanna Chandra – Security Analysis and Portfolio Management, Tata McGraw – Hill Co.Ltd Delhi

1.4 OFFICE AND ACCOUNTING SOFTWARE

Objective: The objective of this paper is to expose the candidate with the practical Applications of MS Office and Tally 9, and with theoretical concepts of ERP packages.

UNIT-I: Applications of MS Word in Business correspondence: Letters, tables mail merge, labels – Applications of MS Excel: Graphs and charts – Calculation of various financial functions – MS Access: tables and queries –MS PowerPoint: Creation of slides, animation , and templates – Exercises

UNIT –II: Tally 9 Features and importance of Tally –Tally screen components – Keyboard operations – Tally accounting – Components of gateway of tally – Creation of a company – Configuration Creating, displaying and altering single or multiple ledgers – Groups and accounting vouchers – Display of financial statements –Exercises.

UNIT –III: Tally Inventory: Inventory masters – Configuration – Creating, displaying and altering single and multiple stock groups-Stock categories – Unit of measure – Unit of measure – Godowns – Stock items and inventory –Display of inventory reports – Exercises.

UNIT –IV: VAT: VAT – Concept and classification – VAT rates –Configuration – Creation of ledgers – Vocher entries for single and multi – VAT on MRP- VAT on imports and exports – VAT reports – Tally TDS : Configuration- Creation of ledgers and vouchers for deductions for deductions , payments , deposits , and advances-TDS reports – Exercises.

UNIT- V: ERP: Concept and its applications – ERP packages –Oracle Finance and applications –Sap and its applications –SAP-FICO and applications – (Theory only).

Reference books:

1. Mansfield, MS Office, Tata McGraw Hill, New Delhi, 2005.
2. Nadhani, A.K.and Nadhani, KK Implementing Tally 8.1, BPB publications: New Delhi.
3. Krishna Kumar . K.Tally 8.1.Laasya Publishers : Hyderebad.
4. Ron Mansfield, Working with MS Office, Tata McGraw Hill: New Delhi.

1.5 BUSINESS ENGLISH

Objective: The objective of this paper is to equip the students with verbal and non-verbal skills in meeting and negotiating and negotiating with people.

UNIT –I: Meeting people and exchanging information : Formal, informal and semi-formal introductions – Describing company activities and structures- Describing job responsibilities : Understanding and writing letters: Differences between formal and formal writing –Use of formal vocabulary and functional language in business letter writing – Planning producing effective initial business letters and responses to business letters – E-mail writing skills, Call taking etiquette / skills.

UNIT-II : Completing forms with required details: Asking appropriate questions in order to effectively gather information – Polite phrases of confirmation and communication breakdown –Understanding native speaking accents and dialects: Making and accepting offers: Functional language used in making verbal agreements – Effective techniques of presenting offers in English –Efficient written offers in English –Efficient written offer making an accepting.

UNIT –III: Describing and presenting products: Basic oral presentation techniques –Use of intonation in presenting product features – Explaining technical features in a simple way and paraphrasing for simplification; Giving and interpreting numerical data, common abbreviations and acronyms; Oral and written conventions for expressing numerical information in English – Pronunciation issues in expressing numbers and the alphabet – Understanding and learning the most common and useful business abbreviations and acronyms.

UNIT – IV: Giving instructions of others: Use of grammar in instruction giving in English – Effective presentation of oral instructions – Effective presentation of written instructions; Presenting and describing company information ; Vocabulary of describing graphical and numerical information – Expressing cause and result in English – Summarizing important information concisely .

Unit – V: Giving feedback to others ; Use of questions in self – assessment elicitation – Functional language of agreement of agreement and opining giving –Use of tone and intonation in good/ bad feedback – Motivating others – Use of emphatic structures in English – Use of conditionals to discuss future possibilities – Discourse strategies for effective relationship – team building skills.

II Semester:

2.1 ISSUE MANAGEMENT

Objective: The objective of this paper is to make the student fully acquainted with the Merchant Banking Services in relation to public issue management.

UNIT – I: Nature and Scope of Merchant Banking in India – Categories of merchant bankers/lead managers- SEBI guidelines for their code of conduct, obligations and responsibilities – Procedure for inspection – Defaults of merchant bankers and penalty points.

UNIT-II : SEBI Guidelines for Public Issues: General guidelines for issue of shares – Underwriting , minimum subscription, composite issues, roll –over , and disclosures for issue of debentures- Reservation and firm allotment – Preferential allotment – ESOPs – Promoters’ contribution and lock-in –Bonus shares.

UNIT-III: Pre-issue management –I : Types of issues –SEBI guidelines for Public issue through Prospectus – Offer for Sale – Private placement –SEBI guidelines for underwriters, bankers to the issue , debenture trustees, portfolio managers .

UNIT –IV: Per-issue management: Book building and SEBI Guidelines –Green shoe option – pricing of issues –Premium fixation –NAV , profit earning capacity value, market value, fair value – SEBI Guidelines on pricing Net Scheme E-IPO.

UNIT-V Post-issue management: Registrars to the issue – Mandatory collection centers – Withdrawal application – Listing requirements of Stock exchanges – SEBI Guidelines for issue advertisement and allotment, proportionate allotment.

Reference Books :

1. Mach Raju Merchant Banking, new Age International , New Delhi.
2. M.Y Khan , Financial Services, Tata McGraw Hill, New Delhi.

2.2 STOCK BROKING AND CREDIT RATING SERVICES

Objective: The objective of this paper is to familiarize the student with the stock market operations and credit rating agencies in India and their services.

UNIT-I: Stock Broking: Concept – Stock brokers and sub – brokers – Registration, code of conduct, obligation of stock brokers and regulation of transaction between clients and brokers and sub – brokers- Foreign brokers.

UNIT-II: Stock market trading : Constituents of NSE and BSE –Wholesale debt market segment, Capital market segment – Trading system in debt and capital market segments – Clearing and settlement system in debt and capital market segments..

UNIT-III: Derivative Trading : Concept and purpose – Forward contract, future contract, options – Trading , clearing and settlement – Trading members and approved users- Trading days hours , parameters, trade types – Order management –Guidelines governing relationship between trading members and constituent – Records and annual accounts – Inspection – Obligations of trading member on inspection.

UNIT-IV: Credit Rating : Concept – SEBI regulatory framework – Registration, eligibility – Obligations of credit rating agencies – Code of conduct disclosure of rating definitions and rationale, maintenance of books and accounts – Credit rating agencies – Credit rating services, Advisory services, Research and Information services advisory services, banking financial services of CRISIL, ICRA, CARE and DCR.

UNIT – V: Rating process- For new issue and for changes – Rating methodology – Business risk , financial risk and fundamental analysis; Rating symbols and grades: By CRISIL, ICRA, CARE, and DCR for debentures, fixed deposits, short instruments , credit assessment, structured obligations, Real Estate projects, bond funds, Chit funds, bank loans, Insurance companies, banks and collective instrument schemes.

Books recommended:

1. Mach Raju Merchant Banking, new Age International publications.
2. M.Y Khan , Financial Services, Tata McGraw Hill.

2.3 LEASING, HIRE PURCHASE, AND BANKING SERVICES

Objective: The objective of this paper is to leasing, hire purchase and personal banking services of the NBFCs.

UNIT- I: Leasing Concept – Classification of leasing – Advantages and limitations of leasing – Legal framework – Legal documentation and agreement – Accounting for leases by a lessee – Accounting for leases by – Accounting and reporting for operating lease- Income tax aspects of leasing (theory and Problems).

UNIT-II: Financial evaluation of leasing: Lessee's perspective – Lessor's viewpoint – Break – even lease rental – Negotiation of lease rentals- Structuring of lease rentals (theory and Problems)..

UNIT-III: Hire purchase : Meaning – Lease Vs Hire purchase – Hire purchase Vs Installment payment – Parties to hire – purchase contract – Legal framework – Income tax and sales tax aspects of hire purchase (theory and Problems).

UNIT-IV: Accounting and in the books of hirer and finance company Financial evaluation of from the point of view of hirer and finance company.

UNIT - V : Consumer Credit: Salient features – Flat and effective rate of interest – Interest rebate and evaluation of consumer credit (theory and Problems).

Reference books:

- 1 M.Y Khan , Financial Services, Tata McGraw Hill.
2. ICFAI: Leasing Services.
3. JCFAI: Hire Purchasing
- 4.ICFAI: Retail Banking

2.4 HOUSING FINANCE AND INSURANCE SERVICES

Objective: The objective of this paper is to enable the student to learn in detail the housing finance and insurance services in India.

UNIT-I: Housing Finance Need for housing finance – National Housing Bank (NHB) – Functions, deports, loans-Its powers – Registration – Appointment of officers- Offences and penalties of board of directors of the NHB – NHB Directions to HFCs..

UNIT-II: NBH Guidelines on prudential norms: Income recognition, accounting standards , asset classification, provisioning for bad doubtful debts, capital adequacy and concentration of credit / investments- Refinance and Equity support to HFCs; Housing finance system: HUDCO –Commercial Banks –Cooperative banks – Specialized HFIs.

UNIT – III: Housing Finance Schemes : Loans, advance to individuals – Advances to Institutions, public agencies – Loans to builders – Schemes form SBI,HDFC<Citibank, etc.

UNIT-IV: Insurance Services: Concept – Types of Insurance policies; Types of life insurance – Settlement Options – Insurance pricing –Rate marking in life insurance – Types of individual and group's health and medical expenses insurance –Retirement plans- Profit sharing plans –Self – retirement plans for employed –Single retirement plans – Simplified retirement pension –Reasons , benefits and disadvantages of Reinsurance – Life insurance in India.

UNIT-V: IRDA 2000: Salient Features – Licensing of various types of insurance agents – Insurance advertisement and disclosure – Appointment of Actuary Duties and obligations of actuary: General insurance: Principles and types – Fire insurance – Marine insurance – motor insurance –Engineering insurance - - Rural insurance.

Reference books:

1 M.Y Khan , Financial Services, Tata McGraw Hill, New Delhi.

2.5 FINANCIAL SERVICES MARKETING

Objective :The basic objective of this paper is to equip the marketing executive with professional knowledge in marketing concepts to manage effectively all the seven Ps of financial services marketing – price , product, place promotion, people, physical evidence, and process.

UNIT –I : Concept of services marketing – Financial Services Marketing Environment – Micro and macro environment –Understanding financial services consumer – Service quality – GAP model and quality dimensions – Need for marketing for financial services marketing.

UNIT –II: Market segmentation and positioning : Segmenting financial services market – Need and bases for segmentation – Positioning of financial services – Need , process and bases.

UNIT-III: Product mix: Concept of financial product levels – Branding and product mix decisions – Product life Cycle –New product development; Price :Price determination – Factors, process and strategies.

UNIT – IV: Distribution mix: Distribution channels – Channel selection – Distribution strategies; Promotion mix: Communication process – Advertising – Personal selling – Sales promotion – Public relations strategies.

UNIT – V: Process mix : Blue printing –Matching of demand and supply; People mix : Role of employees and customers – CRM and e-CRM ; Physical evidence: Elements and strategies – Applioation of services marketing concept in the marketing of fund based and fee based financial services.

Reference books:

- 1 . Zeithaml and Beitner: Services Marketing , Tata McGraw – Hill.
2. Christopher Lovelock, Pearson Education, New Delhi.