**ANDHRA PRADESH STATE COUNCIL OF HIGHER EDUCATION**

**MINOR**

Subject: FINANCE (For Commerce and Other Majors)

w.e.f. AY 2023-24 Onwards

**COURSE STRUCTURE**

**FINANCE MINORS**
(For Commerce and Other Majors)

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SEMESTER – II

Course 1: FINANCIAL SERVICES

Theory Credits: 4 4 hrs/ week

Learning Objectives:
The course provides a complete package of finance and financial services related subjects so that the students are well equipped with the functional aspects of the various types of financial products and services available in our country.

Learning Outcomes:
At the end of the course, the student will be able to understand the world of financial services and to facilitate the understanding of the various Financial Services. The course covers Merchant banking services, credit rating, leasing and Hire purchases. The students able to understand other financial services like factoring and forfaiting procedural aspects.

Unit 1: Financial Services:
Role of Financial Services - Banking and Non Banking Companies – Activities of Non Banking Finance Companies- Fund Based Activities - Fee Based Activities .

Unit 2: Merchant Banking Services:
Scope and importance of merchant banking services - Venture Capital - Securitization - Demat services - Commercial Paper.

Unit 3: Leasing and Hire-Purchase:

Unit 4: Credit Rating:
Purpose – Types – Credit Rating Symbols – Agencies: CRISIL and CARE – Equity Assessment vs. Grading – Mutual funds.

Unit 5: Other Financial Services:
Factoring and Forfeiting - Procedural and financial aspects - Installment System - Credit Cards - Central Depository Systems: NSDL, CSDL.

Activities:
- Collection and study the various financial services
- Invited lectures on the field topics by local experts
- Introducing online classes from financial experts on merchant banking and leasing etc.
- Field visit to banks and financial institutions
- Observation, study and analysis of selected institutions
- Assignments, Group discussion, quiz etc.

Reference Books:
4. V. A. Avdhani, Marketing of Financial Services.
9. E. Gordon & H. Natarajan, Capital Market in India, Himalaya publishing House
SEMESTER – III

Course 2: FINANCIAL MARKETS

Theory Credits: 4 4 hrs/ week

Learning Objectives:
The course provides a complete knowledge of finance and financial markets related subjects so that the students are well equipped with the finance markets and capital markets in our country.

Learning Outcomes:
Learning Outcomes: After successful completion of this course, the students will be able to;
Acquire knowledge of financial terms and know the concepts relating to and markets and different avenues of investment. Understand the career skills related to Stock Exchanges and comprehend the personal financial planning and money market skills


Unit-V: Bond Market in India: Bond Market and its Interface with Equity Market and Debt Market - Mutual Funds.

Activities:
- Collection and study of pamphlets, application forms etc.
- Invited lectures on the field topics by local experts
- Introducing online classes from NSE
- Field visit to mutual fund offices /share brokers
- Observation, study and analysis of selected companies share prices
- Assignments, Group discussion, quiz etc.

Reference Books:
SEMESTER – IV

Course 3: FINANCIAL MANAGEMENT

Theory Credits: 4

Learning Objectives:
1. To appreciate the role of the finance in an organization and to identify sources from where funds can be raised keeping in mind the cost and risk involved.
2. To familiarize the students with the techniques to be employed for investing the funds and help the students to understand the application of tools and techniques of Financial Management.

Learning Outcomes:
Understand the fundamental concepts, objectives, and functions of financial management and Sources of finance for establishing business proposal and apply the theories of capital structure and concepts of designing capital structure of a firm. Apply the mechanism of dividend policies and decisions, Analyse the concepts and process of working capital and understand the methods of capital budgeting and the principles of investment decisions.

Unit I: Nature of Financial Management:

Unit II: Capital structure:
Meaning of capital structure – Factors influencing capital structure – optimum capital structure – computation and analysis of Earning Before Interest and Tax (EBIT), Earning Before Tax (EBT), Earning Per Share (EPS).

Unit III: Cost of Capital:
Concept: - Importance and types of cost of capital - Measurement of cost of capital - Weighted average cost of capital - Operating and financial leverages.

Unit IV: Capital Budgeting:
Capital Budgeting Process –Project Appraisal techniques –Selection Process under Capital Rationing

Unit V: Working capital management:
Concept of working capital - liquidity vs. Profitability- Need and importance of working capital. Determinants of working capital- Components of working capital - Computation of working capital.

Activities:
- Compute cost of capital and develop innovative financial strategies.
- Analyze the capital structure decisions through relevant models.
- Discuss the dividend policy of a firm.
- Quiz programs and Seminars
- Guest lectures on various topics by Financial Managers
- Observing working capital management of a firm and report.
- Group Discussions on problems relating to topics covered by syllabus
- Conducting the project on selection process in an organization
- Examinations (Scheduled and surprise tests)
Reference Books:

2. Saxena and C.D.Vashist, Essentials of Financial Management (2010), Sultan Chand and Sons,

SEMESTER – IV
Course 4: INVESTMENT MANAGEMENT

Theory Credits: 4 4 hrs/ week

Course Objectives:
Understand different investment alternatives in the market • Understand how securities are traded in the market • Be able to analyze and price different securities • Be able to manage a portfolio • Understand basics in derivative

Learning Outcomes:
- The course introduces the concepts of investment.
- The course aims to give investment planning decisions and modern investment alternatives.
- Different topics such as risks and valuation of investment are to be discussed.
- In this course, we will also examine the time value of money, equity and bond valuation.
- The other important topics discussed in this course are primary and secondary market and fundamental analysis of the investment.

Syllabus:

Unit I: Investment:

Unit II: Investment Risk:

Unit III: Investments:
Bank deposits, post office savings scheme, NBFC deposits, Gold and silver, Real Estate, Equity shares, Bonds and Government securities, Mutual funds, life insurance, Tax Savings, Derivatives & Modern Investment alternatives.

Unit IV: Time value of Money:

Unit V: Primary vs. Secondary Market:

Practical Components
- Students should learn the basics of investment and differences between investment and speculation.
- All the students should learn the systematic risk and unsystematic risk also how to calculate the risks.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make teams should discussion different types of deposits.
- Students should analyse the concept of time value of money.
Reference Books

SEMESTER – V

Course 5: FINANCIAL REPORTING
Course objectives:
To provide information about the financial position, performance and changes in financial position of an enterprise that is useful to a wide range of users in making economic decisions.

Learning outcomes:
- To learn about introduction of financial reporting, concept, advantage and disadvantages also objectives
- To understand the scope and modes of restricting competitive advantage
- To evaluate the consolidated financial statements of holding and subsidiary companies
- To gain knowledge on valuation of shares
- To gain knowledge on corporate financial accounting, new trends in accounting and accounting standards.

Syllabus:

Unit I: Financial Reporting:
Concept, objectives, uses, purpose of financial reporting & specific purpose of report- difficulties in corporate reporting – issues and problems with special reference to published financial statements.

Unit II: Corporate Restructuring:
Scope and modes of restructuring competitive advantage – various types corporate restructuring strategy.

Unit III: Consolidated Financial Statements of holding & subsidiary Companies:
Purposes of consolidated financial statements, Consolidation procedures–minority interests, Goodwill, Treatment of pre-acquisition and post-acquisition profit- balance sheet.

Unit IV: Valuation of Shares:

Unit V: Corporate Financial Accounting:

Practical components
- Students should learn the concept of objectives of financial reporting with reference to published financial statements
- Analyse the scope and modes of various types of corporate restructuring strategy with real environment.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should make collect information regarding different top companies who have subsidiary companies.
- Students should analyse the overview of valuation of shares.
Reference Books

5. S.P Jain & K.L Narang, Advanced corporate accounting, Kalyani publishers

SEMESTER – V

Course 6: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT
Course objective:
To enlighten the students with the Concepts and Practical applications of Measure risk and return of different security instruments and portfolio.

Learning outcomes:
After completion of the course, the student is able to

- Understand the various forms of investment, security Markets and other concepts.
- Understand risks associated with investment.
- Measure risk and return of different security instruments and portfolio.
- Analyse the fundamental strength of stocks and predict the price trends of securities using technical analysis and valuation of stocks and fixed income securities.
- Evaluate the performance of portfolio.

Syllabus:

Unit I: Concept of Investment:

Unit II: Return and Risk:

Unit III: Fundamental Analysis of Stocks:
Economy, Industry and Company Analysis, Intrinsic Value – Approach to Valuation of Bonds, Preference Shares and Equity Shares.

Unit IV: Technical Analysis:

Unit V: Elements of Portfolio Management:

Practical components
- Students should learn the concept of investment also differences between investment and speculation, sources of investment information.
- Analyse the measurement of security returns and types of security risks.
- Students should form into teams and prepare presentations on the topics in the syllabus and provide them as assignments or seminars
- All the students should collect information regarding concept and forms of market efficiency
- Students should analyse the elements of portfolio management.
Reference Books: