

**UNIVERSITY OF DELHI**  
**MASTER OF BUSINESS ADMINISTRATION**  
**(FINANCIAL MANAGEMENT)**  
**(Acronym for the Course) MBA (FM)**  
(Effective from Academic Year 2018-19)

**PROGRAMME BROCHURE**



MBA (FM) Revised Syllabus as approved by Academic Council on XXXX, 2018 and  
Executive Council on YYYY, 2018

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## **I. About the Department**

The Department of Financial Studies (DFS) was established in 1994 to meet the increased need for finance professionals in the country and abroad. DFS has been an institution of first choice for students who aspire to enhance their managerial efficacy in the financial service sector and research in diverse issues in the disciplines of Finance.

Since its inception, the Department has evolved into an institution known for its quality of faculty and students. It has carved out a niche for itself, standing out from the crowd. The rigorous selection process on pan India basis ensures that only the best minds qualify resulting in a class profile that is at par with leading national and international B-schools. The faculty, staff, students and alumni work together to create an evolving environment that is rooted in market pragmatism. The department currently offers MBA (FM) and Ph.D programme. MBA (FM) provides students with necessary knowledge and skills for coping with the challenges of corporate world. Our students work with leading corporates, financial services company, research organizations and think tanks. Many of our alumni have been instrumental in setting up new ventures in financial services sector and are running such start-ups successfully.

The Ph.D programme of the department is highly rigorous involving foundation courses and thesis writing under able supervision of the faculty who specialize in various areas of finance. Our doctoral students are working with leading universities, business schools, other academic research institutions as well as hold office of responsibility with the government/public and private sector organizations.

The course content for MBA (Financial Management) programme has been developed after taking into account feedback of various stakeholders such as students, alumni and experts from industry and academia.

## **II. Introduction to CBCS (Choice Based Credit System)**

### **Scope:**

The CBCS provides an opportunity for the students to choose courses from the prescribed courses comprising core, elective/minor or skill-based courses. The courses can be evaluated following the grading system, which is considered to be better than the conventional marks system. Grading system provides uniformity in the evaluation and computation of the Cumulative Grade Point Average (CGPA) based on student's performance in examinations which enables the student to move across institutions of higher learning. The uniformity in evaluation system also enable the potential employers in assessing the performance of the candidates.

### **Definitions:**

- (i) 'Academic Programme' means an entire course of study comprising its programme structure, course details, evaluation schemes etc. designed to be taught and evaluated in a teaching Department/Centre or jointly under more than one such Department/ Centre
- (ii) 'Course' means a segment of a subject that is part of an Academic Programme
- (iii) 'Programme Structure' means a list of courses (Core, Elective, Open Elective) that makes up an Academic Programme, specifying the syllabus, Credits, hours of teaching, evaluation and examination schemes, minimum number of credits required for successful completion of the programme etc. prepared in conformity to University Rules, eligibility criteria for admission
- (iv) 'Core Course' means a course that a student admitted to a particular programme must successfully complete to receive the degree and which cannot be substituted by any other course
- (v) 'Elective Course' means an optional course to be selected by a student out of such courses offered in the same or any other Department/Centre
- (vi) 'Open Elective' means an elective course which is available for students of all programmes, including students of same department. Students of other Department will opt these courses subject to fulfilling of eligibility of criteria as laid down by the Department offering the course.
- (vii) 'Credit' means the value assigned to a course which indicates the level of instruction; One-hour lecture per week equals 1 Credit, 2 hours practical class per week equals 1 credit. Credit for a practical could be proposed as part of a course or as a separate practical course
- (viii) 'SGPA' means Semester Grade Point Average calculated for individual semester.
- (ix) 'CGPA' is Cumulative Grade Points Average calculated for all courses completed by the students at any point of time. CGPA is calculated each year for both the semesters clubbed together.
- (x) 'Grand CGPA' is calculated in the last year of the course by clubbing together of CGPA of two years, i.e., four semesters. Grand CGPA is being given in Transcript form. To benefit the student a formula for conversion of Grand CGPA into %age marks is given in the Transcript.

### **III. MBA(FM) Programme Details:**

#### **Programme Objectives (POs):**

The programme aims at developing finance professionals who would hold leading positions in financial services industry, finance departments of leading companies, research organizations, think tanks as well as international financial institutions. The primary objective of the programme is to equip the students with requisite knowledge and skills in financial planning, strategic decision making, business innovation and entrepreneurship. More specifically, the course aims at:

- acquainting students with the basic analytical tools and techniques of financial decision making;
- providing an insight into the nature of accounting information and the techniques to use such information for financial planning and valuation;
- familiarising students with the financial systems and regulatory architecture impinging upon the financial decision making;
- developing a basic understanding of issues involved in equity research, financial econometrics and risk management;
- developing an understanding of the conceptual framework for security analysis and portfolio management along with their application to areas like wealth management and risk analysis;
- familiarising students with the issues involved in managing global financial services management and their marketing;
- providing critical inputs for strategic design and innovation.

## **Programme Specific Outcomes (PSOs):**

PSO1: To develop a deep understanding of financial system and theories to work proficiently with financial markets and institutions

PSO2: Inculcate skills for practical application in the field of corporate finance, investment management, financial services, risk management, business consulting, entrepreneurship and business innovation

PSO3: To provide an understanding of necessary tools and techniques in the areas of business analytics with IT based applications

PSO4: To provide necessary foundations in the field of management, marketing, accounting, economics, laws and compliance

PSO5: Develop sound decision making ability in solving business management problems

PSO6: To develop an attitude and motivation to work in a socially responsible manner in terms of team building, ethical practices etc.

## **Programme Structure:**

The **MBA (Financial Management)** programme is a two-year course divided into four-semester. A student is required to complete **112** credits for the completion of course and the award of degree.

The MBA (FM) programme shall comprise of 27 courses – 22 core courses of 4 credit each, 1 elective course of 8 credit and 4 elective courses (including 2 open electives) of 4 credits each. The elective courses shall provide the students a choice to acquire specialised knowledge in areas of finance such as corporate finance, market finance, financial innovation and strategy. In addition to these credit courses, the department may offer non-credit courses and foundation courses depending upon the needs of the students.

The MBA (FM) programme shall be in two parts i.e., Part I and II.

### **Part I**

Part I shall comprise of two semesters, viz. Semester I and Semester II. The schedule of courses prescribed for Part I shall be as follows:

#### **Semester I**

- 101 Managerial Economics
- 102 Business & Corporate Laws
- 103 Financial Accounting & Reporting
- 104 Business Mathematics & Statistics
- 105 Management Concepts and Organizational Behaviour
- 106 Indian Financial System
- 107 Financial Management

**Semester II**

- 201 Macro Economic Theory and Policy
- 202 Quantitative Techniques for Management
- 203 Financial Analysis and Valuation
- 204 Management Accounting and Control System
- 205 Introductory Econometrics
- 206 Investment Analysis
- 207 International Finance

**Part II**

Part II shall comprise of two semesters, viz. Semester III and Semester IV. The schedule of courses prescribed for Part II shall be as follows:

**Semester III**

- 301 Financial Services and Wealth Management
- 302 Financial Derivatives & Risk Management
- 303 International Accounting
- 304 Portfolio Management
- 305 Marketing Management

***Elective Group 1:*** Any two of the following: (8 credits)

- 306 Fixed Income Securities
- 307 Tax Planning & Management(O)
- 308 Global Macro Economy and Financial Crisis
- 309 Behavioral Decision Making & Negotiation skills
- 310 Corporate Governance and Business Ethics

**Semester IV**

- 401 Financial Econometrics and Equity Research
- 402 Project Planning, Appraisal and Financing
- 403 Strategic Financial Management

***Elective Group 2:*** Any one of the following: (8 credits)

- 404: Research Project
- 405: Financial Technology Innovation Project

***Elective Group 3:*** Any two of the following:

- 406 Business Analytics and Financial Modelling(O)
- 407 Business Strategy
- 408 Management of Financial Institutions
- 409 Real Estate and Alternative Investments
- 410 Marketing of Financial Services

|                  |             | <i>Semester</i> | <i>Semester</i> |
|------------------|-------------|-----------------|-----------------|
| <b>Part – I</b>  | First Year  | Semester I      | Semester II     |
| <b>Part – II</b> | Second Year | Semester III    | Semester IV     |

### **Course Credit Scheme**

| <b>Semester</b>                     | <b>Core Courses</b> |                  |                      | <b>Elective Course</b> |                 |                       | <b>Open Elective Course</b> |                 |                      | <b>Total Credits</b> |
|-------------------------------------|---------------------|------------------|----------------------|------------------------|-----------------|-----------------------|-----------------------------|-----------------|----------------------|----------------------|
|                                     | No. of courses      | Credit s (L+T/P) | <b>Total Credits</b> | No. of courses         | Credits (L+T/P) | <b>Total Credi ts</b> | No. of course s             | Credits (L+T/P) | <b>Total Credits</b> |                      |
| I                                   | 7                   | 4                | <b>28</b>            | -                      | -               | -                     | -                           | -               | -                    | <b>28</b>            |
| II                                  | 7                   | 4                | <b>28</b>            | -                      | -               | -                     | -                           | -               | -                    | <b>28</b>            |
| III                                 | 5                   | 4                | <b>20</b>            | 2                      | 4               | <b>8</b>              | 1                           | 4               | <b>4</b>             | <b>28#</b>           |
| IV                                  | 3                   | 4                | <b>12</b>            | 3                      | 8/4             | <b>16##</b>           | 1                           | 4               | <b>4</b>             | <b>28###</b>         |
| <b>Total Credits for the Course</b> | 22                  |                  | <b>88</b>            | 3                      |                 | <b>24</b>             | 2                           |                 | <b>8</b>             | <b>112</b>           |

- \* For each Core and Elective Course there will be 4 lecture hours of teaching per week.
- \* Open Electives to the maximum total of 8 credits.
- \* Duration of examination of each course shall be 3 hours.
- \* Each course will be of 100 marks out of which 70 marks shall be allocated for semester examination and 30 marks for internal assessment.
- # Comprise of 5 core courses of 4 credit each and 2 electives courses (including open electives) of 4 credit each
- ## One elective shall be of 8 credits and 2 electives of 4 credit each (including open elective)
- ### Comprise of 3 core courses of 4 credit each, 1 elective course of 8 credit and 2 elective courses of 4 credit each (including open electives)

| <b>Semester I/II/III/IV (individually for each semester)</b> |                                    |           |          |         |
|--|------------------------------------|-----------|----------|---------|
| <b>Number of core courses</b>                                | <b>Credits in each core course</b> |           |          |         |
| Course MBA ( <b>Financial Management</b> )                   | Theory                             | Practical | Tutorial | Credits |
| 101 Managerial Economics                                     |                                    |           |          | 4       |
| 102 Business & Corporate Laws                                |                                    |           |          | 4       |
| 103 Financial Accounting& Reporting                          |                                    |           |          | 4       |
| 104 Business Mathematics and Statistics                      |                                    |           |          | 4       |
| 105 Management Concepts and Organization Behavior            |                                    |           |          | 4       |
| 106 Indian Financial System                                  |                                    |           |          | 4       |
| 107 Financial Management                                     |                                    |           |          | 4       |
| 201 Macro Economic Theory and Policy                         |                                    |           |          | 4       |
| 202 Quantitative Techniques for Management                   |                                    |           |          | 4       |
| 203 Financial Analysis and Valuation                         |                                    |           |          | 4       |
| 204 Management Accounting and Control Systems                |                                    |           |          | 4       |
| 205 Introductory Econometrics                                |                                    |           |          | 4       |
| 206 Investment Analysis                                      |                                    |           |          | 4       |
| 207 International Finance                                    |                                    |           |          | 4       |
| 301 Financial Services and Wealth Management                 |                                    |           |          | 4       |
| 302 Financial Derivatives & Risk Management                  |                                    |           |          | 4       |
| 303 International Accounting                                 |                                    |           |          | 4       |
| 304 Portfolio Management                                     |                                    |           |          | 4       |
| 305 Marketing Management                                     |                                    |           |          | 4       |
| 401 Financial Econometrics and Equity Research               |                                    |           |          | 4       |
| 402 Project Planning, Appraisal and Financing                |                                    |           |          | 4       |
| 403 Strategic Financial Management                           |                                    |           |          | 4       |
| Total credits in core course                                 | <b>88</b>                          |           |          |         |
| <b>Number of elective courses</b>                            |                                    |           |          |         |
| Credits in each elective course                              | Theory                             | Practical | Tutorial | Credits |
| 306 Fixed Income Securities                                  |                                    |           |          | 4       |
| 307 Tax Planning & Management                                |                                    |           |          | 4       |
| 308 Global Macro Economy and Financial Crisis                |                                    |           |          | 4       |
| 309 Behavioral Decision                                      | 9                                  |           |          | 4       |

|   |                               |  |  |         |
|---|-------------------------------|--|--|---------|
| Making & Negotiation Skills                                       |                               |  |  |         |
| 310 Corporate Governance and Business Ethics                      |                               |  |  | 4       |
| 404 Research Project  |                               |  |  | 8       |
| 405 Financial Technology Innovation Project                       |                               |  |  | 8       |
| 406 Business Analytics and Financial Modelling                    |                               |  |  | 4       |
| 407 Business Strategy   |                               |  |  | 4       |
| 408 Management of Financial Institutions                          |                               |  |  | 4       |
| 409 Real Estate and Alternative Investments                       |                               |  |  | 4       |
| 410 Marketing of Financial Services                               |                               |  |  | 4       |
| Total credits in elective courses                                 | <b>24</b>                     |  |  |         |
| <b>Number of Open Electives</b>                                   | Credits in each open elective |  |  |         |
|   | Theory                        |  |  | Credits |
| Open Elective 1<br>307 Tax Planning & Management                  |                               |  |  | 4       |
| Open Elective 2<br>406 Business Analytics and Financial Modelling |                               |  |  | 4       |
| Total credits in open elective                                    | <b>8</b>                      |  |  |         |
| Total credits in Semester I/II/III/IV                             | <b>112</b>                    |  |  |         |

### **Semester wise Details of MBA (FM)Course**

List of Elective Course (wherever applicable to be mentioned area wise)

Elective Group 1: *Any two of the following:* (8 credits)

- 306 Fixed Income Securities
- 307 Tax Planning & Management
- 308 Global Macro Economy and Financial Crisis
- 309 Behavioral Decision Making & Negotiation Skills
- 310 Corporate Governance and Business Ethics

Elective Group 2: Any one of the following: (8 credits)

- #404: Research Project
- #405: Financial Technology Innovation Project

Elective Group 3: Any two of the following (8 credits):

- 406 Business Analytics and Financial Modelling
- #407 Business Strategy

- 408 Management of Financial Institutions
- 409 Real Estate and Alternative Investments
- 410 Marketing of Financial Services

\* For each Core and Elective Course there will be 4 lecture hours of teaching per week.  
\* Open Electives to the maximum total of 8 credits.  
\* Duration of examination of each course shall be 3 hours.  
\* Each course will be of 100 marks out of which 70 marks shall be allocated for semester examination and 30 marks for internal assessment.  
# Courses 404, 405 and 407 shall be delivered in workshop mode. Courses 404/405 shall be of 200 marks carrying 8 credits. The guidelines with regards to mode of delivery and scheme of examination will be developed by department and revised from time to time.

### **Selection of Elective Courses:**

The Department reserves the right to limit the choice for elective as well as non-credit courses, depending upon the availability of faculty and other resources. Further the course shall be offered only if there are atleast 5 students opting for the same.

The Department may offer foundation and non-credit courses in relevant areas as per requirements. Readings for courses may be reviewed by the Department from time to time. For greater academic inclusiveness, the Department may also offer short term courses and programs in finance and related areas (not exceeding six months). The details of such short term courses may be worked out by the Department in due course of time.

### **Teaching:**

The faculty of the Department is primarily responsible for organizing lecture work forMBA(FM). Faculty from some other Departments and constituent colleges as well as from business organisations may also be associated with teaching work in the Department.

There shall be 90 instructional days excluding examination in a semester.

### **Eligibility for Admissions:**

Graduate (Under 10+2+3) in any discipline, with at least 50% marks from the University of Delhi or any other University recognized as equivalent thereto with Maths/Business Maths at class XII level. Reservation of seats as per the University rules. Candidate appearing for the final year of Bachelor's Degree can also apply.

The candidates applying for admission to the MBA (FM) course shall have to appear in an Entrance Test (CAT/Other) as specified by the Department from time to time. The shortlisted candidates shall be called for group discussion and/or personal interview. Final selection would be made on the basis of their performance in entrance examination, group discussion and/or personal interview or any other criteria as decided by the Department. In all cases, the decision of the Admission Committee shall be final.

Foreign students applying for admission to this course shall be admitted as per University of Delhi Rules in this regard. The candidates shall be required to furnish their latest scores in

GMAT and English proficiency Test (TOEFL/IELTS/Letter from the last university certifying that the medium of instruction is English). The Department shall review all applications from foreign students duly forwarded by the Office of Deputy Dean, Foreign Students and its decision in this regard shall be final. All foreign students are required to obtain necessary clearances from Government agencies as specified by the University in this regard.

The Admission Committee of the Department may revise the admission criteria and selection procedure from time to time.

The candidate should be minimum of 20 years on 1st October in the year in which admission is sought. (Relaxation of age limit up to a maximum period of one year on the basis of individual merit may be made by the Vice-Chancellor).

MBA (FM) students of the Department will be required to pay an annual fee of Rs.11,761/- (Rupees Eleven Thousand Seven Hundred Sixty One Only) at the time of admission. The foreign students would have to pay an annual fee as specified by the University. The fee may be revised from time to time after obtaining permission from appropriate University bodies.

## **Assessment of Students' Performance and Scheme of Examinations:**

English shall be the medium of instruction and examination. The system of evaluation shall be as follows:

(i) Each course shall carry 100 marks of which 30 marks shall be reserved for internal assessment based on class room participation, seminar, term courses, tests, viva-voce, case analysis, assignments, project work etc. The components and their weightages for each course shall be announced by the concerned faculty at the beginning of each semester. However, Elective Group 2 courses shall be of 200 marks carrying 8 credits. Detailed guidelines for delivery and evaluation of course 404,405 and 407 shall be developed by the Department and revised from time to time.

(ii) The remaining 70 marks in each course shall be awarded on the basis of a written examination of three hours duration at the end of each semester.

(iii) The scheme of evaluation for the Elective Group 2 shall be as follows:

(a) Although the work on course 404/405 shall begin from the third semester of Part II, research project report/detailed business plan shall be submitted in the fourth semester.

(b) The research project report/detailed business plan shall be evaluated for 140 marks and viva-voce examination shall be conducted for 60 marks, at the end of fourth Semester.

Detailed guidelines for course 404,405 and 407 shall be developed by the Department and revised from time to time.

## **International Partnerships and Students Exchange**

The Department is developing international relationships with academic institutions abroad for strengthening knowledge and developing global perspective amongst its students. Under this arrangement, the MBA (FM) students may undertake studies in one of the semesters with international partners. Similarly, students from any of the international partner institutions can come to the Department for pursuing select courses or parts thereof. The Department shall develop a credit transfer system for this purpose. The Department may also convert the students' marks into grades and cumulative grade point averages as per university rules for CBCS programme.

## **Students Exchange with Institutions in India**

In order to give greater choice to the student community, the Department shall collaborate with leading academic institutions in India for facilitating students' exchange. Under this collaboration MBA (FM) students may attend one of the semesters with partner institutions and while partner institutions students can attend one of the semesters with the Department. The Department shall develop a credit transfer system for this purpose.

## **Pass Percentage & Promotion Criteria:**

- i. The minimum marks for passing the examination of each semester shall be 40% in each course and 45% in the aggregate.
- ii. If a student fails or fails to appear in any of the courses in MBA (FM) 1st semester, Part I of the University examination, he/she will be allowed to take examination in that course/courses along with second semester examination of Part I.
- iii. Admission to Part II MBA (FM) Course shall be open to those who have cleared successfully at least 12 courses out of the total courses offered for the MBA (FM) Part I year comprising I & II Semesters taken together. However, he/she would have to clear the remaining courses, in which he/she failed or failed to appear, while studying in MBA (FM) Part II.
- iv. If a student fails or fails to appear in any of the courses in second semester of Part-I and/or third semester of Part II of University Examination, he/she will be allowed to take the examination in the subjects along with examination in the subjects of fourth semester of Part II examination.
- v. If a student fails in any of courses of the fourth semester, he/she can take the examination in the said course(s) along with the subsequent examinations of I/III Semester provided he/she has cleared all other courses of earlier semesters.
- vi. Successful candidates shall be awarded divisions as per University Rules.
- vii. The conditions of passing the course shall not be deemed to have been satisfied unless a student undergoes summer training under the supervision of the Department in approved organisation for 6-8 weeks.

- viii. No candidate shall be considered to have pursued a regular course of study unless he/she is certified by the Department to have attended at least 75% of the total number of lectures in each semester during the course of study as per University ordinance VII. Provided that he/she fulfils other conditions, the Department may permit a student to proceed to the next semester who falls short of the required percentage of attendance by not more than 10% of sessions conducted during the whole of the first/third semester of the course but a student so permitted shall not be deemed to have completed a regular course of study in the next succeeding semester unless he/she makes up the shortage so condoned.
- ix. (a) A candidate must qualify for the award of the Degree within four years of his/her first admission to the course.  
(b) Candidates who fail or failed to appear at the MBA (FM) examination may be allowed to reappear at the examination on being enrolled as an ex-student as per rules of the University  
(c) Candidates who have already received the minimum pass marks in the course 404/405 and 407 shall not be allowed to reappear in the examination.  
(d) Submission of Research Project Report/Detailed Business Plan for the courses 404/405 for evaluation in the fourth Semester shall be done as per the guidelines specified by the Department for this purpose, The Department shall evolve a mechanism to strengthen the conduct and evaluation in these courses.  
(e) No revaluation of answer books is permitted according to the rules of the University applicable to professional courses.
- x. In case of withdrawal from the MBA (FM) course the fee will be refunded as per University Rules.

### **Part I to Part II Progression:**

Admission to Part II MBA (FM) Course shall be open to those who have cleared successfully at least 12 courses out of the courses offered for the MBA (FM) Part I year comprising I & II Semesters taken together. However, he/she would have to clear the remaining courses, in which he failed or failed to appear, while studying in MBA (FM) Part II.

**Summer Training:** As part of the course requirement, at the end of first year each student is required to undertake summer training for a period of 6 to 8 weeks in approved organisations. At the end of the summer training period, each student will be required to submit a certification as prescribed in the guidelines issued by the Department.

### **Conversion of Marks into Grades:**

The conversion of marks into grades will be as per university guidelines

**Grade Points:**

Grade point table as per University Examination rule

**CGPA Calculation:**

As per University Examination rule.

**SGPA Calculation:**

As per University Examination rule

**Grand SGPA Calculation:**

As per University Examination rule

**Conversion of Grand CGPA into Marks**

As notified by competent authority the formula for conversion of Grand CGPA into marks is:

Final %age of marks = CGPA based on all four semesters  $\times$  9.5

**Division of Degree into Classes:**

Post Graduate degree to be classified based on CGPA obtained into various classes as notified into Examination policy.

**Attendance Requirement:**

No candidate shall be considered to have pursued a regular course of study unless he is certified by the Department to have attended at least 75% of the total number of lectures in each semester during the course of study as per University ordinance VII. Provided that he fulfils other conditions, the Department may permit a student to proceed to the next semester who falls short of the required percentage of attendance by not more than 10% of sessions conducted during the whole of the first/third semester of the course but a student so permitted shall not be deemed to have completed a regular course of study in the next succeeding semester unless he makes up the shortage so condoned.

**Span Period:**

No student shall be admitted as a candidate for the examination for any of the Parts/Semesters after the lapse of **four** years from the date of admission to the Part-I/Semester-I of the MBA(FM) Programme.

A candidate must qualify for the award of the Degree within four years of his/her first admission to the course. Candidates who fail or failed to appear at the MBA (FM) examination may be allowed to reappear at the examination on being enrolled as an ex-student as per the rules specified for the purpose.

## **Guidelines for the Award of Internal Assessment Marks**

- (i) Each course shall carry 100 marks of which 30 marks shall be reserved for internal assessment based on class room participation, seminar, term courses, tests, viva-voce, case analysis, assignments, project work etc. The components and their weightages for each course shall be announced by the concerned faculty at the beginning of each semester. However, Elective Group 2 courses shall be of 200 marks carrying 8 credits. Detailed guidelines for delivery and evaluation of course 404, 405 and 407 shall be developed by the Department and revised from time to time.
- (ii) The remaining 70 marks in each course shall be awarded on the basis of a written examination of three hours duration at the end of each semester.
- (iii) The scheme of evaluation for the Elective Group 2 shall be as follows:

- (a) Although the work on course 404/405 shall begin from the third semester of Part II, research project report/detailed business plan shall be submitted in the fourth semester.
- (b) The research project report/detailed business plan shall be evaluated for 140 marks and viva-voce examination shall be conducted for 60 marks, at the end of fourth Semester.

Detailed guidelines for course 404, 405 and 407 shall be developed by the Department and revised from time to time.

## **MBA(FM) Programme (Semester Wise)**

The MBA (FM) programme shall be in two parts i.e., Part I and II.

### **Part I**

Part I shall comprise of two semesters, viz. Semester I and Semester II. The schedule of courses prescribed for Part I shall be as follows:

#### **Semester I**

- 101 Managerial Economics
- 102 Business & Corporate Laws
- 103 Financial Accounting & Reporting
- 104 Business Mathematics & Statistics
- 105 Management Concepts and Organizational Behaviour
- 106 Indian Financial System
- 107 Financial Management

#### **Semester II**

- 201 Macro Economic Theory and Policy

- 202 Quantitative Techniques for Management
- 203 Financial Analysis and Valuation
- 204 Management Accounting and Control System
- 205 Introductory Econometrics
- 206 Investment Analysis
- 207 International Finance

## **Part II**

Part II shall comprise of two semesters, viz. Semester III and Semester IV. The schedule of courses prescribed for Part II shall be as follows:

### **Semester III**

- 301 Financial Services and Wealth Management
- 302 Financial Derivatives & Risk Management
- 303 International Accounting
- 304 Portfolio Management
- 305 Marketing Management

***Elective Group 1:*** Any two of the following: (8 credits)

- 306 Fixed Income Securities
- 307 Tax Planning & Management(O)
- 308 Global Macro Economy and Financial Crisis
- 309 Behavioral Decision Making & Negotiation skills
- 310 Corporate Governance and Business Ethics

### **Semester IV**

- 401 Financial Econometrics and Equity Research
- 402 Project Planning, Appraisal and Financing
- 403 Strategic Financial Management

***Elective Group 2:*** Any one of the following: (8 credits)

- 404: Research Project
- 405: Financial Technology Innovation Project

***Elective Group 3:*** Any two of the following:

- 406 Business Analytics and Financial Modelling(O)
- 407 Business Strategy
- 408 Management of Financial Institutions
- 409 Real Estate and Alternative Investments
- 410 Marketing of Financial Services

**IV: Course Wise Content Details for MBA (Financial Management) Programme:**

**Semester I**

**101: MANAGERIAL ECONOMICS**

**Course Objectives:**

The objective of this course is to develop the ability to apply the concepts, tools and techniques of economics in analyzing business decisions.

**Course Learning Outcomes:**

CLO1: To introduce students to the concepts, issues and applications of managerial economics in business decision making.

CLO2: To develop a clear understanding of the tools and theories of analysing consumer and producer behaviour.

CLO3: To develop a clear understanding of competitions and market structure in which firms operate in an economy.

CLO4: To introduce students to the concepts and methods of price setting and the economics of information.

**Contents:**

**Unit I:** Rationale and objectives of a firm, Theory of firm, Constraints faced by a firm, Profit: nature and functions, International framework of managerial economics.

**Unit II:** Theory of demand, Theory of supply, Market equilibrium, Adjustment mechanism to changes in demand and supply, Elasticity: concepts and measurement, Elasticity and managerial decision making, Estimation of demand.

**Unit III:** Production function, Production function with variable inputs, Optimal input combinations, Empirical production functions, Returns to scale, Innovation and global competitiveness, Nature of costs, Costs in short and long-run, Economies of scale and learning curves.

**Unit IV:** Market structure and competition, Types of market competition, Price and output determination in different markets, Pricing with market power, Regulation and fair competition, Role of government in the economy.

**Unit V:** Uncertainty and market for lemons, Market signaling, Moral hazard, Adverse selection, Principal-Agent problem, Methods of overcoming moral hazard and adverse selection, Efficiency wage theory.

**Teaching Plan:**

**Week 1:** Rationale and objectives of firm, Theory of firm, Constraints faced by a firm

**Week 2:** Profit: nature and functions, Theories of profit, International framework of managerial economics.

**Week 3:** Demand and theory of demand, Demand function, changes in demand, Supply and theory of supply, Supply function and changes in supply.

**Week 4:** Goods market equilibrium, Adjustment mechanism to changes in demand and supply, Elasticity and managerial decision making.

**Week 5:** Estimation of demand function, Identification of demand, Estimation of demand.

**Week 6:** Introduction to Production and production function, Production function with variable inputs, Optimal input combinations.

**Week 7:** Empirical production functions, Returns to scale, Innovation and global competitiveness.

**Week 8:** Nature of costs, Costs in short and long-run, Economies of scale and learning curves.

**Week 9:** Market structure and competition, Types of market competition, Price and output determination in different markets.

**Week 10:** Monopoly market and pricing with market power, Regulation and fair competition, Role of government in the economy.

**Week 11:** Uncertainty and market for lemons, Market signaling, Moral hazard, Adverse selection, Principal-Agent problem

**Week 12:** Methods of overcoming moral hazard and adverse selection, Efficiency wage theory.

**Suggested Readings**

- Salvatore, D., *Managerial Economics in a Global Economy*, McGraw-Hill International Editions Latest Edition
- Baye, M.R., and Prince, J.T., *Managerial Economics and Business Strategy*, McGraw Hill, USA. Latest Edition
- Pindyck, R.S., and Rubinfeld, D.L., *Microeconomics*, Pearson, USA.
- Varian, H.R., *Intermediate Microeconomics: A Modern Approach*, Affiliated East-West
- Samuelson, W.F., and Marks, S.G., *Managerial Economics*, John Wiley and Sons Latest Edition
- Keat, Paul G. and Philip K.Y. Young, *Managerial Economics: Economic Tools for Today's Decision Makers*, Pearson Education Latest Edition

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understanding theories and tools of managerial economics in business decisions | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Understanding the consumer and producer behaviour and market equilibrium       | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understanding production and profit maximizing optimal production level        | Lectures/Class Discussion            | Test/Presentation |
| 4.       | Competition and market structure   | Lectures/Class Discussion            | Test/Presentation |
| 5.       | Understanding pricing methods of firms and economics of information            | Lectures/Class Discussion            | Test/Presentation |

## **102: BUSINESS AND CORPORATE LAWS**

### **Course Objectives**

The objective of this course is to acquaint the participants with the legal environment in which business operates.

### **Course Learning Outcomes:**

CLO1: Understand the provisions of Indian Contract Act.

CLO2: Understand the relevant sections of Sales of Goods Act.

CLO3: Knowledge of Negotiable Instruments Act.

CLO4: Learn the relevant provisions of Limited Liability Partnership Act.

CLO5: Learn the relevant provisions of Information Technology Act 2008.

CLO6: Understand the provision of Companies Act 2013

### **Contents**

**Unit I:** Provisions relating to formation and performance of contracts and some special contracts.

**Unit II:** Provisions relating to Contact of Sales, transfer of money, performance of contract of sale and right of parties involved, Provisions relating to defect in goods, deficiency in services and unfair trade practices

**Unit III:** Provisions of law relating to promissory notes, bills of exchange and cheque, parties to a negotiable instrument, negotiation of instruments, discharge/dishonor of cheques, banker customer relationships.

**Unit IV:** Limited Liability Partnership, salient features of Limited Liability Partnerships, merits of LLP (as business model for SMEs and service providers), Event Based Compliances of LLP. Annual Compliance of LLP, Taxation of LLP , Main features of LLP Agreement, LLP vs. Other Business Forms – a Comparative Analysis. Requirements for incorporation of LLP, Steps for registering LLP, Designated partner, relevant provisions of the LLP Act 2008 with regard to designated partners.

**Unit V:** Definitions, Digital signature, Electronic Governance, Attribution, Secure Electronic records and secure Digital signatures, Regulation of Certifying Authorities, Digital Signature Certificates, Duties of Subscribers, Penalties and Adjudication, The cyber Regulations Appellate Tribunal, Offences.

**Unit VI:** Provisions relating to formation of company, issue of capital, management and administration, meetings and resolutions, borrowing, minority protection, prevention of oppression and mismanagement, winding up, emerging issues.

### **Recommended Readings**

- Kuchhal, M.C., *Business Laws*, Vikas Publishing House Latest Edition.
- Singh, Avtar, *Law of Contract & Specific Relief*, Eastern Book Company Latest Edition
- Pathak, Akhileshwar, *Legal Aspects of Business*, Tata McGraw Hill Latest Edition
- Aggarwal, S.K., *Indian Business Laws*, Galgotia Publishers Latest Edition
- Landmark Judgements on Consumer Protection, Universal Law Publishing Company 9<sup>th</sup> Edition 2015
- Cooter, R., & Ulen, T., *Law & Economics*, Pearson Education Latest Edition
- Bagrial, A. K., *Company Law*, Vikas Publishing House Latest Edition
- Corporate laws, Taxmann Publications Private Limited; Latest Edition
- Ramaiya, A guide to Companies act. Wadhwa and Co. Nagpur Latest Edition
- Hicks, Andrew & Goo, Cases and material on company law, Oxford University Press Latest Edition
- Padhi, P.K. , *Legal Aspects of Business*, Prentice Hall, Latest Edition
- Datey, V.S., *Corporate laws and Secretarial Practice*, Taxmann, Latest Edition
- Sharma, J. P., An Easy Approach to Company Laws, Ane Books Pvt. Ltd. Latest Edition
- Sharma, J. P. and Kanojia, S., A Simplified Approach to Business Law, Ane Books Pvt. Ltd. Latest Edition
- Bare Acts of Limited Liability Act and Information Technology Act 2008

(The list of cases and specific references including recent articles will be announced in the class.)

### **Teaching Plan:**

**Week 1:** Provisions relating to formation and performance of contracts and

**Week 2:** some special contracts.

**Week 3:** Provisions relating to Contact of Sales, transfer of money, performance of contract of sale and right of parties involved

**Week 4:** Provisions relating to defect in goods, deficiency in services and unfair trade practices

**Week 5:** Provisions of law relating to promissory notes, bills of exchange and cheque, parties to a negotiable instrument

**Week 6:** negotiation of instruments, discharge/dishonor of cheques, banker customer relationships.

**Week 7:** Limited Liability Partnership, salient features of Limited Liability Partnerships, merits of LLP (as business model for SMEs and service providers), Event Based

Compliances of LLP. Annual Compliance of LLP, Taxation of LLP , Main features of LLP Agreement

**Week 8:** LLP vs. Other Business Forms – a Comparative Analysis. Requirements for incorporation of LLP, Steps for registering LLP, Designated partner, relevant provisions of the LLP Act 2008 with regard to designated partners.

**Week 9:** Definitions, Digital signature, Electronic Governance, Attribution, Secure Electronic records and secure Digital signatures, Regulation of Certifying Authorities, Digital Signature Certificates

**Week 10:** Duties of Subscribers, Penalties and Adjudication, The cyber Regulations Appellate Tribunal, Offences.

**Week 11:** Provisions relating to formation of company, issue of capital, management and administration, meetings and resolutions, borrowing

**Week 12:** minority protection, prevention of oppression and mismanagement, winding up, emerging issues.

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                     | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Indian Contract Act 1872 (Relevant Provisions)               | Lectures/Class Discussion/Case Study | Test/Presentation |
| 2.       | Sale of Goods Act 1930 (Relevant Provisions)                 | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Negotiable Instruments Act 1881 (Relevant Provisions)        | Lectures/Class Discussion/Case study | Test/Presentation |
| 4.       | Limited Liability Partnership Act 2008 (Relevant Provisions) | Lectures/Class Discussion/Case study | Test/Presentation |
| 5.       | Information Technology Act 2008 (Relevant Provisions)        | Lectures/Class Discussion/Case study | Test/Presentation |
| 6.       | Companies Act 2013 (Relevant Provisions)                     | Lectures/Class Discussion/Case study | Test/Presentation |

## **103: FINANCIAL ACCOUNTING**

### **Course Objective**

The purpose of this course is to develop an in-depth understanding of financial accounting information and its reporting through periodic financial statements. The course aims at acquainting students with techniques required in preparation and analysis of financial statements of corporate entities.

### **Course Learning Outcomes:**

CLO1: Ability to read and understand financial statements of corporate entities.

CLO2: Knowledge of basic accounting conceptual framework.

CLO3: Understand the concept of accounting cycle.

CLO4: Ability to conduct ratio analysis to interpret the values in financial statements in a clear and comparative way

**Unit I:** The Accounting system, Accounting principles and conventions, Accounting process through double entry system of book keeping, , Accrual versus cash accounting systems, The Journal and source documents, Ledger, Journalizing Transactions, Posting Information to Ledger Accounts, Trade Debtors and Creditors, Accounting for Expenses and Revenues, Golden Rules of Accounting

**Unit II:** Trial Balance, Trial balance adjustment entries, Preparation and presentation of statement of profit and loss, Accrued Expenses and Incomes, Prepaid Expenses and Revenues, Provision for doubtful debts, Preparation of balance sheet, Capital and Revenue Expenditure, Preparation of Cash flow statement, Methods of preparing the statement of cash flows, Limitations of the Statement of Cash Flows, Relevant Accounting standards

**Unit III:** Meaning and types of Inventory, Methods of Inventory Valuation, Depreciation, Methods of Depreciation, Changes in method of depreciation, Revaluation of Fixed Assets, Amortization of Intangible Assets, Relevant Accounting standards

**Unit IV:** Requirements as per the Companies Act, 2013, Management Discussion and Analysis (MD&A) Director's Report, Auditor's Report, Financial Statements and Notes to Accounts (Schedule III), Statement of changes in equity, Non-controlling interest, Revenue Recognition, Segment reporting, Disclosure of Accounting Policies, Related Party Disclosures, Voluntary Disclosures, Convergence of Indian Accounting Standards with IFRS

**Unit V:** Understanding of Financial Statements and Ratio Analysis, Liquidity ratios, Working capital ratios, fixed assets turnover ratio, Capital structure ratio, Profitability ratios, Dividend pay-out ratio, P/E ratio, Earnings yield, Dupont analysis

**Teaching Plan:**

**Week 1:** The Accounting system, Accounting principles and conventions, Accounting process through double entry system of book keeping

**Week 2:** Accrual versus cash accounting systems, The Journal and source documents, Ledger, Journalizing Transactions

**Week 3:** Posting Information to Ledger Accounts, Trade Debtors and Creditors, Accounting for Expenses and Revenues,

**Week 4:** Golden Rules of Accounting, Trial Balance, Trial balance adjustment entries

**Week 5:** Preparation and presentation of statement of profit and loss, Accrued Expenses and Incomes, Prepaid Expenses and Revenues, Provision for doubtful debts

**Week 6:** Preparation of balance sheet, Capital and Revenue Expenditure

**Week 7:** Information for preparing Cash flow statement, Methods of preparing the statement of cash flows, Limitations of the Statement of Cash Flows

**Week 8:** Meaning and types of Inventory, Methods of Inventory Valuation, Changes in method of depreciation, Revaluation of Fixed Assets, Amortization of Intangible Assets

**Week 9:** Week 11: Requirements as per the Companies Act, 2013, Management Discussion and Analysis (MD&A) Director's Report, Auditor's Report, Financial Statements and Notes to Accounts (Schedule III), Statement of changes in equity

**Week 10:** Non-controlling interest, Revenue Recognition, Segment reporting, Related Party Disclosures, Voluntary Disclosures, Convergence of Indian Accounting Standards with IFRS

**Week 11:** Understanding of Financial Statements and Ratio Analysis, Liquidity ratios, Working capital ratios, fixed assets turnover ratio, Capital structure ratio

**Week 12:** Profitability ratios, Dividend pay-out ratio, P/E ratio, Earnings yield, Du pont analysis

**Suggested Readings**

- Financial Accounting & Analysis, Narender L. Ahuja & Varun Dawar, Taxmann, 1/e
- Essentials of Financial Accounting, Asish K. Bhattacharya, PHI, Latest Edition
- Financial Accounting: A Managerial Perspective, 5e, Narayanaswamy, R., PHI
- Introduction to Financial Accounting, C.T. Horngren, G. L. Sundem, J.A. Elliott, and D. Philbrick, Pearson Prentice Hall, Latest Edition
- Financial Accounting for Management, N Ramachandran and Ram Kumar Kakani, Tata McGraw Hill, Latest Edition
- Engler C., Bernstein L.A. and Lambert K.R., *Advanced Accounting* Irwin, Chicago, Latest Edition

- Bhattacharya A.K., Financial Accounting for Business Managers, Prentice-Hall, New Delhi, Latest Edition.
- Powers M., and Needles B.E., *Financial Accounting*, Wiley India, New Delhi, Latest Edition
- Keiso D.E., Weygandt J.J. and Warfield, T.D., *Intermediate Accounting*, John Wiley and Sons, Latest Edition
- Weygandt J.J., Keiso D.E., and Kimmel, P.D., *Financial Accounting*, Wiley India, New Delhi, Latest Edition

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity        | Assessment Tasks  |
|----------|--|---------------------------------------|-------------------|
| 1.       | Understanding of Accounting concepts and conventions                       | Lectures/Class Discussion             | Test/Presentation |
| 2.       | Understanding the concepts of Recording Transactions in Journal and Ledger | Lectures/Class Discussion             | Test/Presentation |
| 3.       | To understand preparation of Financial Statements                          | Lectures/Class Discussion/Case Study  | Test/Presentation |
| 4.       | To analyse Inventory, Depreciation and Accounting Errors                   | Lectures/Class Discussion/Case Study  | Test/Presentation |
| 5.       | To analyse Qualitative and Quantitative Annual Report disclosures          | Lectures/Class Discussion/ Case Study | Test/Presentation |

## **104: BUSINESS MATHEMATICS AND STATISTICS**

### **Course Objectives:**

The Course will be a *Step* into an area where one has to extract ‘*wisdom*’ from data for sound decision making. It will equip the students with necessary mathematical and statistical tools to be ready for various managerial decisions backed by ‘*hard data*’ and provide sound decisions for an organization

### **Course Learning Outcomes:**

At the end of this course, the participants should

CLO1: appreciate the role of mathematical and statistical tools for managerial decisions in an organization

CLO2: appreciate the challenges of handling large set of data and extract the necessary characteristics of the same;

CLO3: properly communicate the data to the users of the data;

CLO4: visualize, understand and appreciate the complexities of uncertainty;

CLO5: learn the necessary tools to tests hypothesis; and

CLO6: appreciate use of data towards corporate decision making.

### **Contents:**

**Unit I:** Matrix Algebra, Calculus – Differential and integral; Maxima and Minima; and constrained optimization

**Unit II:** Introduction, descriptive statistics data, measures of central tendency, measures of variations, measures of skewness and kurtosis. Moments and their applications in financial statistics, Probability Theory, Probability Distributions Discrete and Continuous. Binomial, Poisson, Hypergeometric, Geometric, Negative Binomial, Uniform, Exponential and Normal probability distributions.

**Unit III:** Sampling and Sampling Distribution, Standard Error, Law of Large Numbers and Central Limit Theorem, Point Estimation – Properties of a good point estimator, and Interval Estimation.

**Unit IV:** Null and Alternate Hypotheses; One-tailed and two-tailed Tests; Type I and Type II errors; Power of a Test; p-values, Parametric and Non-Parametric Tests for one sample, two samples and more than two samples and for measures and their differences of central tendency, variation and association, Run Test for testing randomness.

**Unit V:** One-Way Analysis of Variance, Two-Way Analysis of Variance – Randomized Block Design and Factorial Design; Correlation and Regression Analysis; and Index Numbers for understanding Price behaviour and market behavior.

**Suggested Readings:**

- McClave, J. and Benson, P.G., *Statistics for Business and Economics*, Pearson, Latest Edition
- Miller, C.D. and Salzman, S.A., *Business Mathematics*, Addison Wesley, Latest Edition.
- Deitz, J.E. and Southam, J.L., *Contemporary Business Mathematics for Colleges*, Thompson Learning, Latest Edition.
- Levin, R. and Rubin, D., *Statistics for Management*, Pearson, Latest Edition.
- Kohler, H., *Statistics for Business & Economics*, Harper Collins, Latest Edition
- Triola, M.F. and Franklin, L.A., *Business Statistics*, Latest Edition.
- Watsnam, T. J. and Keith, P., *Quantitative Methods in Finance*, International Thompson Business Press, Latest Edition
- David R. Anderson, Dennis J.Sweeney, and Thomas A. Williams, Statistics for Business and Economics, Thomson South-Western College Publishing, 12<sup>th</sup> Edition 2014
- Frank S. Budnick, Applied Mathematics for Business Economics and Social Sciences, McGraw Hill Latest Edition
- Thukral, J.K., Business Mathematics & Statistics, Mayur Paperback Latest Edition
- Sharma J K, Business Mathematics: Theory & Applications, Ane Paperback Latest Edition  
*(The list of cases and specific references including recent articles will be provided in the class)*

**Teaching Plan:**

**Week 1:** Matrix Algebra - Types of matrices, Basic Operations, Inverse, System of Equations and their solutions; Calculus - Limits, Continuity, derivatives - first and second and high order.

**Week 2:** Maxima and Minima of single variable as well as multiple variables; Constrained Optimization - with one constraint; Lagrangian Method, Lagrangian Multiplier and its interpretation

**Week 3:** Introduction to Statistics, descriptive statistics data, measures of central tendency, measures of variations, measures of skewness and kurtosis. Moments and their applications in financial statistics

**Week 4:** Probability Theory, Bayes Theorem, Probability Distributions Discrete and Continuous, Expectation and Variance and other moments of a probability distribution, Theoretical distribution - Binomial, Poisson, Hypergeometric, Geometric, Negative Binomial, Uniform, Exponential and Normal probability distributions.

**Week 5:** Theoretical distribution - Binomial, Poisson, Hypergeometric, Geometric, Negative Binomial, Uniform, Exponential and Normal probability distributions.

**Week 6:** Sampling and Sampling Distribution, Standard Error, Law of Large Numbers and Central Limit Theorem, Point Estimation – Properties of a good point estimator, and Interval Estimation.

**Week 7:** Introduction to Hypothesis-testing, Null and Alternate Hypotheses; One-tailed and two-tailed Tests; Type I and Type II errors; Power of a Test; p-values

**Week 8** Non-Parametric Tests for one sample, two samples and more than two samples for Nominal Data and Ordinal Data and for measures and their differences of central tendency, and Tests for Goodness of Fit, Run Test for testing randomness.

**Week 9:** Parametric for one sample, and two samples for measures and differences of central tendency, variation. It should cover t-distribution; Z-Distribution and F-Distribution.

**Week 10:** One-Way Analysis of Variance (ANOVA) - introduction; appreciating causal design of ANOVA. Post-Hoc Analysis and Testing of assumptions of ANOVA.

**Week 11:** Two-Way Analysis of Variance – Randomized Block Design and Factorial Design with necessary effects (including interaction effect)

**Week 12** Correlation and Regression Analysis; and Index Numbers for understanding Price behaviour and market behavior.

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity                      | Assessment Tasks              |
|----------|---|---|-------------------------------|
| 1.       | Understanding basic mathematics for providing optimum solution for different kinds of managerial decision making problems   | Class-Room Teaching with exercises and case-studies | Assignment – Individual       |
| 2.       | Understanding Basics of Statistics and learn how to summarize data in terms of its characteristics and how to communicate the same in an effective manner. Learning Probability Theory and learning modelling a behaviour through probability distribution. | Class-Room Teaching with exercises and case-studies | Assignment – Individual       |
| 3.       | Statistical Inference – its challenges and how to estimate population parameters using sample data  | Class-Room Teaching with exercises and case-studies | Assignment – Individual/Group |

|    |  |   |  |
|----|--|---|--|
| 4. | Hypothesis-Testing for different kinds of data – nominal, ordinal and scale level.   | Class-Room Teaching with exercises and case-studies                       | Assignment – Individual and Live Group Project |
| 5. | One-Way Analysis of Variance, Two-Way Analysis of Variance – Randomized Block Design and Factorial Design; Correlation and Regression Analysis; and Index Numbers for understanding Price behaviour and market behavior. | Class-Room Teaching with exercises and case-studies; Industry interaction | Assignment – Individual and Live Group Project |

## **105: MANAGEMENT CONCEPTS AND ORGANIZATIONAL BEHAVIOUR**

### **Course Objectives:**

This course aims to take a functional approach to the process of management with a focus on active planning, leading, organizing and controlling and strategy formulation to enable the students to strengthen their management skills with an effective balance of theory and practice. The course also focuses on the ethical issues confronting financial professionals, including extensive coverage of the recent financial crisis.

### **Course Learning Outcomes:**

CLO1: Understand the business management and its principles.

CLO2: Understand the process of planning and decision making.

CLO3: Role of factors in enhancing the organization performance.

CLO4: Understand the concept and process of organizational behavior

### **Contents**

**Unit I:** Introduction to business management, Management Process, Objectives of Management, Environmental context of management, Major Schools of Management Thought, Modern Approach to Management, Traditional and Contemporary Issues and Challenges in Management

**Unit II:** Basic Elements of Planning, Planning Tools and Techniques, Steps Involved in Planning Process, Nature and Purpose of Organizing, Importance of Organizational Structure, Types of Organizational Structure, Line and Staff organization, Features and Types of Line and Staff organization, Conflicts between Line and Staff Organization, Organization Chart, Chain of Command, Delegation, Span of Control, Manpower Planning, Recruitment, Selection and Training

**Unit III:** Concept of Control, Basic Elements of Control, Steps in Controlling Process, Requirements of an Effective Control System, Tools of controlling, Concept of Directing, Elements of Directing, Concept of Leadership, Leadership Traits, Leadership Styles and Theories, Importance of Leadership, Contemporary Leadership issues

**Unit IV:** Overview of Organizational Behaviour, Basic Elements of Individual Behaviour in Organizations, Job Satisfaction, Personality Traits, Myers-Briggs Type Indicator (MBTI), Self-Monitoring, Motivation, Importance of Motivation, Motivational theories, Maslow's need Hierarchy theory, Herzberg's Motivation-Hygiene theory, McGregor's Theory X and Theory Y, Perception and individual decision making

**Unit V:** Group Dynamics, Theories of Group behavior, Group decision making, Interpersonal Communication, Types of teams, Conflict process and management, Conflict Resolution Model, Organizational culture, Human Resource Policies, Organizational Power and Politics

## **Suggested Readings**

- Robbins, Stephen P., and Timothy A., Judge, “Essentials of organizational behavior”, Latest Edition
- Koontz, H. and Weihrich, H, Essentials of Management: An International Perspective, Tata Mcgraw Hill, Latest Edition
- Mullins L, Management and Organisation Behaviour, Pearson Education, Latest Edition
- Richard L. Daft: Principles of Management, Cengage Learning India, Latest Edition
- James A. F. Stoner, R. Edward Freeman, and Daniel R. Gilbert (Jr.), Management, Latest Edition
- Jones, Gareth R. and Jennifer M. George, Contemporary Management, Latest Edition
- Charles Hill, W.L. and Steven L.McShane, Principles of Management, Tata McGraw Hill, Latest Edition

## **Teaching Plan**

**Week 1:** Introduction to business management, Management Process, Objectives of Management, Environmental context of management

**Week 2:** Major Schools of Management Thought, Modern Approach to Management, Traditional and Contemporary Issues and Challenges in Management

**Week 3:** Basic Elements of Planning, Planning Tools and Techniques, Steps Involved in Planning Process, Nature and Purpose of Organizing, Importance of Organizational Structure

**Week 4:** Types of Organizational Structure, Line and Staff organization, Features and Types of Line and Staff organization, Conflicts between Line and Staff Organization

**Week 5:** Organization Chart, Chain of Command, Delegation, Span of Control, Manpower Planning, Recruitment, Selection and Training

**Week 6:** Concept of Control, Basic Elements of Control, Steps in Controlling Process, Requirements of an Effective Control System

**Week 7:** Concept of Directing, Elements of Directing

**Week 8:** Concept of Leadership, Leadership Traits, Leadership Styles and Theories, Importance of Leadership, Contemporary Leadership issues

**Week 9:** Overview of Organizational Behaviour, Basic Elements of Individual Behaviour in Organizations, Job Satisfaction, Personality Traits, Myers-Briggs Type Indicator (MBTI), Self-Monitoring

**Week 10:** Motivation, Importance of Motivation, Motivational theories, Maslow's need Hierarchy theory, Herzberg's Motivation-Hygiene theory, McGregor's Theory X and Theory Y, Perception and individual decision making

**Week 11:** Group Dynamics, Theories of Group behavior, Group decision making, Interpersonal Communication, Types of teams

**Week 12:** Conflict process and management, Conflict Resolution Model, Organizational culture, Human Resource Policies, Organizational Power and Politics

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understand the concept of Business Management and Business Environment | Lectures/Class Discussion/Case Study | Test/Presentation |
| 2.       | Understand the concept of Planning and Organising                      | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Discuss the concept and elements of controlling process                | Lectures/Class Discussion/Case study | Test/Presentation |
| 4.       | Discuss various aspects and theories of organizational behaviour       | Lectures/Class Discussion/Case study | Test/Presentation |
| 5.       | Understand group dynamics and theories of group behaviour              | Lectures/Class Discussion/Case study | Test/Presentation |

## **106: INDIAN FINANCIAL SYSTEM**

### **Course Objectives:**

The objective of this course is to provide an in-depth knowledge to the students about the structure, organization and working of financial markets, institutions and role of various regulatory bodies.

### **Course Learning Outcomes:**

CLO1: Understand the structure of financial system in India.

CLO2: Indian financial system's organization and workings in current scenario.

CLO3: Understand the working of commercial banks.

CLO4: Understand the role of insurance organizations and NBFCs

### **Contents:**

**Unit I:** Overview of Indian Financial System, Structure and Organization; Financial Institutions and Economic Development.

**Unit II:** Money market: Organization, Types of Instruments, Participants, Trading mechanism, Role and functions of Reserve Bank of India (RBI).

**Unit III:** Financial Markets: Functions, Participants and Regulation of Primary Market, trading and settlement procedure on stock exchanges, Role and functions of Securities and Exchange Board of India (SEBI), Depository System.

**Unit IV:** Commercial Banks: Prudential norms for classification, valuation and operation of investment portfolios by banks, Management of Non-Performing assets, prudential norms relating to capital adequacy, Risk Management in Banks.

**Unit V:** Non-Banking Finance Companies (NBFCs): Types of NBFCs, RBI Guidelines, Asset Liability Management.

**Unit VI:** Mutual Funds: Role as a financial intermediary, Organization and Structure, Types of mutual fund schemes, SEBI (Mutual Funds) Regulations 1996, Insurance Industry: Regulations, Role and functions of Insurance Regulatory and Development Authority of India (IRDA), Foreign Direct Investments: Origin, Type, Eligibility and regulations.

### **Suggested Readings:**

- Khan M.Y., *Indian Financial System*, Tata McGraw Hill, Latest Edition.
- Bhole L.M., *Financial Institutions and Markets: Structure, Growth and Innovations*, Tata McGraw Hill, Latest Edition.

- Kohn M., *Financial Institutions and Markets*, Tata McGraw Hill, Latest edition.
- Madura J., *Financial Markets and Institutions*, South-Western, Cengage Learning, Latest Edition.
- Avdhani V.A., *Investment and Securities Markets in India*, Himalaya, Latest Edition.

(The list of cases and specific references including recent articles will be announced in class)

**Teaching Plan:**

**Week 1:** Overview of Indian Financial System, Structure and Organization Financial Institutions and Economic Development.

**Week 2:** Money market: Organization, Types of Instruments, Participants.

**Week 3:** Role and functions of Reserve Bank of India (RBI).

**Week 4:** Financial Markets: Functions, Participants and Regulation of Primary Market.

**Week 5:** Trading and settlement procedure on stock exchanges, Role and functions of Securities and Exchange Board of India (SEBI).

**Week 6:** Commercial Banks: Prudential norms for classification, valuation and operation of investment portfolios by banks, Management of Non-Performing assets, prudential norms relating to capital adequacy, Risk Management in Banks.

**Week 7:** Mid-Term Exam, Management of Non-Performing assets, prudential norms relating to capital adequacy, Risk Management in Banks.

**Week 8:** Non-Banking Finance Companies (NBFCs): Types of NBFCs.

**Week 9:** RBI Guidelines, Asset Liability Management.

**Week 10:** Mutual Funds: Role as a financial intermediary, Organization and Structure

**Week 11,** Types of mutual fund schemes, SEBI (Mutual Funds) Regulations 1996.

**Week 12** Insurance Industry: Regulations, Role and functions of Insurance Regulatory and Development Authority of India (IRDA), Foreign Direct Investments.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity                                   | Assessment Tasks                               |
|----------|---|--|--|
| 1.       | To understand the structure and organization of Indian Financial System | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 2.       | Understand the functioning  | Lectures/ case   | Mid-term Exam/ Group                           |

|    |   |  |  |
|----|---|--|--|
|    | of money market, its participants and role of RBI as a central bank   | study/Knowledge; Oral Communication and team work                | Presentations/ Final Exam                      |
| 3. | Learning the functioning of primary and secondary markets and their regulatory framework  | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 4. | To gain knowledge about the functioning and role of commercial banks in the Indian Financial System   | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 5. | To gain an in-depth knowledge about NBFCs and their regulatory environment  | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 6  | Understanding the mutual fund and insurance industry, their role in the financial system and their regulations. Framework of foreign direct investments | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |

## **107: FINANCIAL MANAGEMENT**

### **Course Objectives:**

The objective of this course is to acquaint the students with the basic analytical techniques and methods of financial management of business firms. This course introduces the core concepts and skills needed in financial management. It considers the main financial decision facing a company, approaches as to how these decisions are made and introduces analytical tools that can assist in financial decision-making.

### **Course Learning Outcomes:**

CLO1: Understand the core concepts and techniques in financial management.

CLO2: Ability to conduct discounted cash flow analysis and estimate a company's cost of capital.

CLO3: Application of various tools to analyze the risk dimension in decision making.

CLO4: Ability to allocate funds to the most attractive investment opportunities.

CLO5: Understand the process of a determining firm's optimal cash payout policy.

CLO6: Analysis of working capital needs of the company

### **Contents**

**Unit I:** Scope and Objectives of Financial Management; Time Value of Money; Return, Risk & Cost of Capital.

**Unit II:** Long term investment decision; Capital Budgeting; principles and process; techniques: Accounting Rate of Return, Pay Back Period, NPV, IRR, MIRR& profitability index methods; Project Evaluation: independent, replacement and mutually exclusive projects, Capital Budgeting under constraints (Capital Rationing).

**Unit III:** Sources of Long-term Finance: Debt vs Equity capital; Concept of Operating, financial and combined leverage; Capital Structure theories, NI approach, NOI approach and MM approach.

**Unit IV:** Types of dividends; Dividend policy & Share Valuations; Determinants of dividend policy, Theories of dividend: Walter's Model, Gordon's Model and MM hypothesis.

**Unit V:** Overview; Working Capital needs and Estimation; Cash Management; Inventory Management; Receivables Management; Current Assets Financing.

### **Suggested Readings**

- Brealey, R.A., & Myers, S.C., *Principles of Corporate Finance*, New Delhi: Tata McGraw Hill, 10<sup>th</sup> Edition 2012.
- Van Horne, J.C., and Wachowicz Jr., J.M., *Fundamentals of Financial Management*, Pearson, Latest Edition.
- Damodaran, A., *Corporate Finance: Theory and Practice*, New Delhi: John Wiley, Latest Edition.
- Berk J. and DeMarzo P., *Corporate Finance*, 4<sup>th</sup> Edition.
- Ahuja N.L., Dawar V. and Arrawatia R., *Corporate Finance*, PHI, Latest Edition
- Ross, S. A., Randolph Westerfield and Bradford Jordan *Fundamentals of Corporate Finance*, McGraw Hill, 2012
- Chandra, P., *Financial Management*, New Delhi: Tata McGraw Hill, 8<sup>th</sup> Edition 2012.
- Emery, D.R. & Finnerty, J.D., *Corporate Financial Management*. New Jersey: Prentice Hall, Latest Edition.
- Pandey, I.M., *Financial Management*, Vikas Publication New Delhi, 11<sup>th</sup> Edition 2014.
- Keown, A.J., Petty, J.W., Martin J.D., *Foundations of Finance*. New Jersey: Pearson, 8<sup>th</sup> Edition 2013.
- Menamin, M.J., *Financial Management - An Introduction*. New Delhi: Oxford University Press, Latest Edition.
- Khan, M.Y. and Jain, P.K., *Financial Management*, Tata McGraw Hill, 7<sup>th</sup> edition, 2014.

(The list of cases and specific references including recent articles will be announced in the class)

### **Teaching Plan:**

**Week 1:** Scope and Objectives of Financial Management; Time Value of Money

**Week 2:** Return, Risk & Cost of Capital

**Week 3:** Long term investment decision; Capital Budgeting; principles and process; techniques: Accounting Rate of Return, Pay Back Period

**Week 4:** NPV, IRR, MIRR& profitability index methods

**Week 5:** Project Evaluation: independent, replacement and mutually exclusive projects, Capital Budgeting under constraints (Capital Rationing)

**Week 6:** Sources of Long-term Finance: Debt vs Equity capital

**Week 7:** Concept of Operating, financial and combined leverage

**Week 8:** Capital Structure theories, NI approach, NOI approach and MM approach

**Week 9:** Types of dividends; Dividend policy & Share Valuations; Determinants of dividend policy

**Week 10:** Theories of dividend: Walter's Model, Gordon's Model and MM hypothesis.

**Week 11:** Overview; Working Capital needs and Estimation; Cash Management

**Week 12:** Inventory Management; Receivables Management; Current Assets Financing.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                         | Teaching and Learning Activity         | Assessment Tasks  |
|----------|--|--|-------------------|
| 1.       | Understanding the basics of financial management | Lectures/Class discussion              | Test/Presentation |
| 2.       | Analyse capital budgeting decisions              | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Understand Financing decision                    | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Analyse dividend decision                        | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Understand working capital decisions             | Lectures/Case studies/Class discussion | Test/Presentation |

## **201: MACROECONOMIC THEORY AND POLICY**

### **Course Objectives:**

The objective of the course is to acquaint the students with the concepts, theories and tools of macroeconomic analysis for comprehending and analyzing economic fluctuations in the economy.

### **Course Learning Outcomes:**

CLO1: To introduce students to the concepts, tools and theories of macroeconomics and the working mechanism of the macro economy.

CLO2: To develop a clear understanding of economic fluctuations and ability to analyse business cycles using aggregate demand, aggregate supply and IS-LM framework.

CLO3: To understand the concepts and theories of inflation and unemployment.

CLO4: To understand the working mechanisms of stabilization policies such as monetary and fiscal policy in the domestic economy.

### **Content:**

**Unit I:** Macroeconomics, Understanding macroeconomic data, National income accounts, Monetary system, Money: functions and measurement, Demand and supply of Money supply, Estimation and empirical evidence on demand for money.

**Unit II:** Aggregate demand and aggregate supply, Stabilization policy, IS – LM model, Goods and money market equilibrium, Applications of IS-LM model, Spending and money hypotheses, Business cycle, Dynamic model of economic fluctuations.

**Unit III:** Inflation: causes, effects and social costs, Wage and price determination, Equilibrium in labour market, Inflation-unemployment dynamics and Phillips curve, Natural rate of unemployment, Costless disinflation, 3-equation model and macroeconomic policy.

**Unit IV:** Monetary policy: objectives and targets, Central bank's preferences and utility function, Modern monetary policy framework, Monetary Transmission Mechanism, Fiscal Policy and role in stabilization, Automatic stabilizers.

**Unit – V:** Consumption function, Consumption puzzle, Intertemporal budget constraint, Life cycle and permanent income hypotheses, Random walk hypothesis, Theory of investment.

### **Teaching Plan**

**Week 1:** Introduction to macroeconomics, Understanding macroeconomic data, National income accounts: concepts and measurement.

**Week 2:** Introduction to monetary system, Money: functions and measurement, Demand and supply of Money supply.

**Week 3:** Aggregate demand and aggregate supply, Stabilization policy, IS – LM model.

**Week 4:** Goods and money market equilibrium, Applications of IS-LM model, Spending and money hypotheses.

**Week 5:** Business cycle and Dynamic model of economic fluctuations.

**Week 6:** Inflation: causes, effects and social costs, Wage and price determination, Equilibrium in labour market.

**Week 7:** Inflation-unemployment dynamics and Phillips curve, Natural rate of unemployment, Costless disinflation, 3-equation model and macroeconomic policy.

**Week 8:** Monetary policy: objectives and targets, Central bank's preferences and utility function, Modern monetary policy framework.

**Week 9:** Monetary Transmission Mechanism, Fiscal Policy and role in stabilization.

**Week 10:** Automatic stabilizers, Debt dynamics and costs of high debt.

**Week 11:** Consumption function, Intertemporal budget constraint, Life cycle and permanent income hypotheses.

**Week 12:** Random walk hypothesis, Theory of investment.

### **Suggested Readings:**

- Carlin, W., Soskice, D., *Macroeconomics: Imperfection Institution & Policies*, Oxford University Press. Latest Edition.
- Blanchard, O.J., *Macroeconomics*, Pearson. Latest Edition
- Williamson, S.D., *Macroeconomics*, Pearson. Latest Edition
- Mankiw, N.G., *Macroeconomics*, Worth Publishers. Latest Edition
- Mishkin, F., *Macroeconomic: Policy and Practice*, Pearson. Latest Edition
- Snowdon, B., and Vane, H.R., *Modern Macroeconomics: Its Origins, Development and Current State*, Edward Elgar, USA. Latest Edition

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understanding the concepts, tools and theories of macroeconomics           | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Understanding economic fluctuations and ability to analyse business cycles | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understanding the concepts and theories of inflation and unemployment.     | Lectures/Class Discussion            | Test/Presentation |

|    |   |                           |                   |
|----|---|---------------------------|-------------------|
| 4. | Understanding the working mechanism of stabilization policies | Lectures/Class Discussion | Test/Presentation |
| 5. | Understanding consumption and investment in the macro economy | Lectures/Class Discussion | Test/Presentation |

## **202: QUANTITATIVE TECHNIQUES FOR MANAGEMENT**

### **Course Objectives:**

The real world problems are complex problems; they require finding of an optimum solution subject to a large number of constraints and decision variables. Handling them so as to achieve OPTIMUM SOLUTIONS is one of the biggest challenges among the players of the real world. Keeping this in mind, the whole Course is targeted to equip the students with necessary quantitative techniques (especially mathematical optimization methods) so that they become capable of solving managerial and financial decision problems in an objective and a scientific manner.

### **Course Learning Outcomes:**

CLO1: to appreciate the rigor of the necessary theory required to build a suitable model to solve managerial decision making problems;

CLO2: to develop necessary skills in structuring and analyzing managerial and financial problems and model them suitable to arrive at an optimum decision for an organization; and

CLO3: to inculcate the attitude of ensuring implementability of well thought out solutions to decision problems.

### **Contents:**

**Unit I: Linear Programming:** Meaning, Assumptions and Problem Formulation/Model Construction, Graphical Solution, Concepts of Feasible Solution, Basic Feasible Solution, Degenerate Solution, Simplex Method, Special cases in Linear Programming, Duality, Postoptimal/Sensitivity Analysis and Economic Interpretation of duality or shadow prices.

**Unit II: Special Cases of Linear Programming & Other Mathematical Programming Models:** Transportation Models and Assignment Models – as a special case of Linear Programming; their meaning, assumptions, and formulation of the model, their solution methodology; sensitivity analysis and their applications, Integer Programming, Zero-One Programming, Mixed Integer Programming, Goal Programming, Dynamic Programming – their applications and solution methodology

**Unit III: Project Management:** Challenges in Project Management, appreciating the issues involved in project planning and control. Application of Network Techniques – PERT and CPM in Project Management. Preparation of Network, minimum time schedule and slack/float analysis; time-cost trade-off, Project Scheduling and Uncertainty, Resource Allocation Problem in Project.

**Unit IV: Optimization Models for Business Related Problems:** Application of optimization techniques to Inventory related problems; Simple EOQ Model, Production Run Model, Back-orders with Infinite Replenishment Model, Production Run Model with Back Orders, EOQ Model with Price-Breaks, determination of various inventory levels – Reorder Level, Safety Stock, Maximum Level etc. under certain, probabilistic and uncertainty situations. Inventory Classification – ABC, VED, FNSD and other classification. Periodic

Review Model and Continuous Review Methods; contemporary tools of managing inventories of a firm – like JIT, Material Requirements Planning etc.

Sequencing Problems –  $n$  Jobs and 2/3 machines

Replacement of Fixed Assets - Individual Replacement Policy - with and without time value; and Group Replacement Policy, Preventive Replacement Policy

Markov Processes – Applications and Computations; Waiting Line or Queuing Models - Characteristics, Theory and applications

**Unit V: Decision Analysis:** Decision Making under Certainty, Risk and Uncertainty conditions – Pay-off Matrix, Expected Monetary Value criteria, Expected Value of Perfect Information. Decision Tree, Game Theory - Nash Equilibrium; Two Persons-Zero Sum Game; Pure and Mixed Strategies; Game Theory and Linear Programming, Simulation – Deterministic and Probabilistic (Monte Carlo Simulation)

**Suggested Readings:**

- Introduction to Operations Research - Frederick S. Hiller and G. J. Liberman; Tata McGraw-Hill Publishing Company Ltd., New Delhi (Latest Edition)
- Management Science - Sang M. Lee, L. J. Moore, and Bernard W. Taylor, III; Allyn & Bacon, Incorporated (Latest Edition)
- Quantitative Techniques in Management - N.D. Vohra, Tata McGraw-Hill Publishing Company Ltd., New Delhi, (Latest Edition).
- Quantitative Techniques – T. Lucey, Thompson Learning Publishers, London, (Latest Edition).
- Gillett, B.E., Introduction to Operation Research - A Computer Oriented Algorithmic Approach, Tata McGraw Hill Publishing Ltd., New Delhi, (Latest Edition).
- Quantitative Analysis for Business – A. Vazsonyi, and H. F. Springer, Prentice-Hall of India Private Limited, New Delhi, (Latest Edition).
- Quantitative Methods in Finance – T. J. Watsman, and K. Parramor, International Thompson Business Press, (Latest Edition).
- Operations Research - An Introduction, Hamdy A. TAHA. Prentice-Hall of India Private Ltd., (Latest Edition).
- Decision Making Through Operations Research - R. Thierauf and R. Klekamp, John Wiley & Sons Income (Latest Edition).

*(The list of cases and specific references including recent articles will be provided in the class)*

**Teaching Plan:**

**Week 1:** Meaning, Assumptions and Problem Formulation/Model Construction, Graphical Solution, Concepts of Feasible Solution, Basic Feasible Solution, Degenerate Solution, Simplex Method

**Week 2:** Special cases in Linear Programming, Duality, Postoptimal/Sensitivity Analysis and Economic Interpretation

**Week 3:** Transportation Models and Assignment Models – as a special case of Linear Programming; their meaning, assumptions, and formulation of the model, their solution methodology; sensitivity analysis and their applications

**Week 4:** Integer Programming, Zero-One Programming, Mixed Integer Programming, Goal Programming, Dynamic Programming – their applications and solution methodology

**Week 5:** Challenges in Project Management, appreciating the issues involved in project planning and control. Application of Network Techniques – CPM in Project Management. Preparation of Network, minimum time schedule and slack/float analysis

**Week 6:** Network Analysis and Project Scheduling under Uncertainty – PERT; time-cost trade-off, and Resource Allocation Problem in Project.

**Week 7:** Application of optimization techniques to Inventory related problems; Simple EOQ Model, Production Run Model, Back-orders with Infinite Replenishment Model, Production Run Model with Back Orders, determination of various levels – Reorder Level, Safety Stock, Maximum Level etc. under certain, probabilistic and uncertainty situations.

**Week 8** Inventory Classification – ABC, VED, FNSD and other classification. Periodic Review Model and Continuous Review Methods; contemporary tools of managing inventories of a firm – like JIT, Material Requirements Planning etc.

**Week 9:** Sequencing Problems – n Jobs and 2/3 machines Replacement of Fixed Assets - Individual Replacement Policy - with and without time value; and Group Replacement Policy, Preventive Replacement Policy

**Week 10:** Markov Processes – Applications and Computations; Waiting Line or Queuing Models - Characteristics, Theory and applications-Part-I

**Week 11:** Waiting Line or Queuing Models - Characteristics, Theory and applications-Part-II; Decision Making under Certainty

**Week 12:** Decision Making under Risk and Uncertainty conditions – Pay-off Matrix, Newspaper Boy Problem, Expected Monetary Value criteria, Expected Value of Perfect Information. Decision Tree, Game Theory - Nash Equilibrium & Pareto equilibrium; Two Persons-Zero Sum Game; Pure and Mixed Strategies; Game Theory and Linear Programming. Simulation – Monte Carlo Simulation

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity                      | Assessment Tasks        |
|----------|---|---|-------------------------|
| 1.       | Understanding basics of Linear Programming, its applications, solution procedures – Graphical & Simplex. Duality in Linear Programming/Post-optimality/sensitivity analysis and economic interpretation – shadow prices | Class-Room Teaching with exercises and case-studies | Assignment – Individual |
| 2.       | Understanding and appreciating modelling of special Linear  | Class-Room Teaching with exercises and              | Assignment – Individual |

|    |  |   |  |
|----|--|---|--|
|    | Programming Problems - Transportation and Assignment, their formulation, their solution methodology; sensitivity analysis and their applications, Integer Programming, Zero-One Programming, Mixed Integer Programming, Goal Programming, Dynamic Programming – their applications and solution methodology  | case-studies  |  |
| 3. | Understanding the role of planning and monitoring in Project Management, Application of Network Techniques – PERT and CPM; Time Cost Trade off and allocation of resources to a project optimally  | Class-Room Teaching with exercises and case-studies                                 | Assignment – Individual/Group                  |
| 4. | Mastering the Application of optimization techniques to Inventory related problems; determination of various Inventory levels, Inventory Classification, Periodic Review Model and Continuous Review Methods; contemporary tools of managing inventories of a firm – like JIT, Material Requirements Planning etc.<br>Sequencing Problems – $n$ Jobs and 2/3 machines<br>Replacement of Fixed Assets - Individual Replacement Policy - with and without time value; and Group Replacement Policy, Preventive Replacement Policy<br>Markov Processes – Applications and Computations; Waiting Line or Queuing Models - Characteristics, Theory and applications | Class-Room Teaching with exercises and case-studies                                 | Assignment – Individual and Live Group Project |
| 5. | Understanding and appreciating the application of Decision Analysis in solving various decision making problems of an organization, equipping the students with necessary tools of Game Theory to help organizations to make decisions under competitive environment; and learning experimentation on a model through Simulation for better decision making  | Class-Room Teaching with exercises and case-studies; Special Lecture on Game Theory | Assignment – Individual and Live Group Project |

## **203: FINANCIAL ANALYSIS AND VALUATION**

### **Course Objectives:**

The objective of this paper is to enable students in understanding, analysing and interpreting the information disseminated through the financial and other business reports for the purposes of business performance analysis and valuation. The paper requires extensive out-of-class preparation by the students, and relies heavily upon the real-life business reporting done by the companies.

### **Course Learning Outcomes:**

CLO1: To provide students with a practical framework for financial analysis and valuation using information from the financial and other business reports

CLO2: To introduce students to various tools and techniques for financial statement analysis based on the business reporting practices of companies

CLO3: To develop conceptual background of various valuation methodologies such as Dividend discount model, Discounted Cash Flow Analysis, Residual Earnings Analysis etc.

CLO4: To provide an understanding of Risk and Sensitivity Analysis

### **Course Outline:**

**Unit I:** Valuation as an exercise in Financial Statement Analysis, Demand and Supply of Financial Statement Information, Companies Act, 2013, Listing Agreement, and Reporting System

**Unit II:** Operating and Financing Activities: Analysis of the Statement of Shareholders' Equity, Balance Sheet, Income Statement, and Cash Flow Statement, Narrative Reports, and Off Balance-Sheet Items

**Unit III:** Business Analysis: Strategy Analysis, Accounting Analysis, Earnings Quality Analysis, Analysis of Profitability, Analysis of Growth, Prospective Analysis, -Anchoring Forecasting and Valuation on the Financial Statements

**Unit IV:** Valuation Technologies: Method of Comparables, Multiple Screening, Asset-based Valuation, Dividend Discounting, Discounted Cash Flow Analysis, Residual Earnings Analysis, Economic Value Added (EVA), Earnings Growth Analysis, Risk and Sensitivity Analysis

**Unit V:** Decision Contexts: Enterprise Valuation, Analysis of Equity Risk and Return, Analysis of Credit Risk and Return, Mergers and Acquisitions Analysis, Corporate Communication Strategy Analysis, Corporate Financial Policies Analysis, General Business Analysis, Disinvestment, Analysis and Valuation of Select Industries: Banks, NBFCs, Mutual Funds

**Suggested Readings:**

- Abrams, J.B., *Quantitative Business Valuation*, John Wiley, NJ, Latest Edition.
- Foster, G., *Financial Statement Analysis*, Pearson, New Delhi, Latest Edition.
- Institute of Chartered Accountants of India, Various publications.
- Palepu, K.G. and Healy, P.M., *Business Analysis and Valuation using Financial Statements*, South Western, OH, , Latest Edition.
- Penman, S.H., *Financial Statement Analysis and Security Valuation*, McGraw-Hill, New Delhi, Latest Edition.
- Ramaiya A., *Ramaiya Guide to the Companies Act*, Wadhwa, Latest Edition.
- Stickney, C.P., *Financial Reporting, Financial Statement Analysis and Valuation: A Strategic Perspective*, South Western, Latest Edition.
- White, G.T., Sondhi, A.C. and Fried, D., *The Analysis and Use of Financial Statements*, Wiley India, New Delhi, Latest Edition.

**Teaching Plan**

**Week 1:** Valuation as an exercise in Financial Statement Analysis, Demand and Supply of Financial Statement Information

**Week 2:** Companies Act, 2013, Listing Agreement, and Reporting System

**Week 3:** Operating and Financing Activities: Analysis of the Statement of Shareholders' Equity, Balance Sheet, Income Statement,

**Week 4:** Cash Flow Statement, Narrative Reports, and Off Balance-Sheet Items

**Week 5:** Business Analysis: Strategy Analysis, Accounting Analysis, Earnings Quality Analysis, Analysis of Profitability

**Week 6:** Analysis of Growth, Prospective Analysis, -Anchoring Forecasting and Valuation on the Financial Statements

**Week 7:** Valuation Technologies: Method of Comparables, Multiple Screening

**Week 8:** Asset-based Valuation, Dividend Discounting, Discounted Cash Flow Analysis, Residual Earnings Analysis

**Week 9:** Economic Value Added (EVA), Earnings Growth Analysis, Risk and Sensitivity Analysis

**Week 10:** Decision Contexts: Enterprise Valuation, Analysis of Equity Risk and Return, Analysis of Credit Risk and Return

**Week 11:** Mergers and Acquisitions Analysis, Corporate Communication Strategy Analysis, Corporate Financial Policies Analysis, General Business Analysis, Disinvestment

**Week 12:** Analysis and Valuation of Select Industries: Banks, NBFCs, Mutual Funds

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity          | Assessment Tasks  |
|----------|--|---|-------------------|
| 1.       | Interpreting the information disseminated through the financial and other business reports | Project Presentation/Case Analysis/Quiz | Test/Presentation |
| 2.       | Understand Forecasting of financial statements   | Project Presentation/Case Analysis/Quiz | Test/Presentation |
| 3.       | Conduct business analysis including accounting and earning quality analysis                | Project Presentation/Case Analysis/Quiz | Test/Presentation |
| 4.       | Understand various valuation methodologies   | Project Presentation/Case Analysis/Quiz | Test/Presentation |
| 5.       | Analysis and Valuation of Select Industries such as Banks, NBFCs, Mutual Funds             | Project Presentation/Case Analysis/Quiz | Test/Presentation |

## **204: MANAGEMENT ACCOUNTING AND CONTROL SYSTEMS**

### **Course Objectives**

This course provides an introduction to the fundamental concepts of managerial accounting and control system. This course deals with the role of accounting in an organization's planning and control system which includes costing, cost allocation, variance analysis, responsibility accounting and performance evaluation. The focus of the course will be on the accounting function internal to organizations. The way in which management accounting information affects the strategic and operational decisions within the organization will also be discussed.

### **Course Learning Outcomes:**

CLO1: To develop conceptual background of various management accounting practices in an organization setting

CLO2: To provide students with relevant management accounting information for financial decision making and process improvement

CLO3: To introduce students to new and emerging Areas of Management Accounting such as Value Added Analysis

CLO4: To develop an understanding of balanced scorecard as a measure of business strategy

### **Contents**

**Unit I:** Meaning and objectives of cost accounting, Difference between financial, cost, and management accounting. Cost concepts: material, labour and overheads; preparation of cost sheet, cost accounting system, Traditional costing system and Activity Based Costing system.

**Unit II:** Variable-Cost and Fixed-Cost Behaviour, Absorption versus variable costing, Cost-Volume-Profit Analysis, Break-even analysis, Margin of safety, Angle of incidence, Sales mix analysis.

**Unit III:** Concept of budget and budgetary control, Functional budgets, Cash budget, Fixed and Flexible budgets, Zero base budget, Master Budget. Meaning of standard cost and standard costing, Variance analysis – material, labour, overhead and sales variances, Control ratios.

**Unit IV:** Relevant and Irrelevant Costs for decision making, management decisions – fixation of selling price, exploring new market, make or buy, Optimal use of Limited Resources: Product-Mix Decisions, Deletion or Addition of Products, Services, or Departments, Sell or Process further.

**Unit V:** Basic concepts: boundaries of management control systems: Strategic planning, management control and operational control. Strategies: Corporate level and business unit

strategies. Goal congruence: Formal management control system, Decentralized organization and responsibility accounting. Responsibility centres: concept and characteristics, Divisional Performance Measurement, Transfer Pricing, Management control systems in multinational corporation, Transfer pricing in MNCs.

**Unit VI:** Life-cycle costing, Target costing, Kaizen costing, Activity-based management, Just-in-time systems, Quality cost management, The balanced scorecard.

**Suggested Readings:**

- Horngren, C.T., Sundem, G.L., Stratton, W.O, Burgstahler, D., & Schatzberg, J., Managerial Accounting. Prentice Hall of India Ltd. New Delhi, 14<sup>th</sup> Edition 2010
- Colin Drury, Management and Cost Accounting, 8<sup>th</sup> Edition.
- Atkinson, A. A., Kaplan, R. S., Matsumura, E. M., Young, S. M., & Kumar, G.A., Management Accounting, New Delhi: Pearson, Latest Edition
- Maciariello, J. A. Management control system. Prentice-Hall of India, Latest Edition
- Robert Simons, R., Performance Measurement and Control Systems for Implementing Strategy Text and Cases: Pearson, 2013
- Coomks, H., and Bobbs, D., and Jenkins, E., *Management Accounting Principles & Applications*, Sage Publications, Latest Edition
- Chatterjee, B.K., *Cost and Management Accounting for Managers*, Jaico Publishing House, Latest Edition
- Louderback, H., and Dominiak, *Managerial Accounting*, Thomson Learning, Latest Edition
- Collier, P.M., *Accounting for Managers - Interpreting Accounting Information for Decision-Making*, Wiley, Latest Edition
- Anthony, Robert N and Govindarajan, Vijay: Management Control Systems, Tata McGraw Hill, Latest Edition
- Merchant, K C: Modern Management Control Systems, Prentice Hall, Latest Edition
- Mohi-ud-Din Ghulam, Management Control system in Banks, Anmol Publications, Latest Edition

(The list of cases & specific references including recent articles & books will be announced in class)

**Teaching Plan:**

**Week 1:** Meaning and objectives of cost accounting, Difference between financial, cost, and management accounting. Cost concepts: material and labour

**Week 2:** Concept and treatment of overheads

**Week 3:** Preparation of cost sheet, Traditional costing system and Activity Based Costing system

**Week 4:** Variable-Cost and Fixed-Cost Behaviour, Absorption versus variable costing, Cost-Volume-Profit Analysis, Break-even analysis, Margin of safety, Angle of incidence, Sales mix analysis

**Week 5:** Concept of budget and budgetary control, Functional budgets, Cash budget, Fixed and Flexible budgets, Zero base budget, Master Budget

**Week 6:** Meaning of standard cost and standard costing, Variance analysis – material, labour, overhead and sales variances, Control ratios

**Week 7:** Relevant and Irrelevant Costs for decision making, management decisions – fixation of selling price, exploring new market, make or buy

**Week 8:** Optimal use of Limited Resources: Product-Mix Decisions, Deletion or Addition of Products, Services, or Departments, Sell or Process further

**Week 9:** Responsibility Accounting, Divisional Performance Measurement, Transfer Pricing

**Week 10:** Basic concepts: boundaries of management control systems: Strategic planning, management control and operational control. Strategies: Corporate level and business unit strategies. Goal congruence: Formal management control system, Decentralized organization and responsibility accounting

**Week 11:** Responsibility centres: concept and characteristic. Types of responsibility centres: Cost centres, Profit centres, Investment centres. Management control systems in multinational corporation, Transfer pricing in MNCs

**Week 12:** Life-cycle costing, Target costing, Kaizen costing, Activity-based management, Just-in-time systems, Quality cost management, The balanced scorecard

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                  | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---|--|-------------------|
| 1.       | Introduction  | Lectures/Class discussion              | Test/Presentation |
| 2.       | Cost Volume Profit analysis                               | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Budgetary control, Standard costing and Variance Analysis | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Decision Making   | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Management Control Systems                                | Lectures/Case studies/Class discussion | Test/Presentation |
| 6.       | Strategic Cost and Management Accounting                  | Lectures/Case studies/Class discussion | Test/Presentation |

## **205: INTRODUCTORY ECONOMETRICS**

### **Course Objectives:**

Now, it is well accepted that an expert in Finance must be sufficiently equipped with necessary quantitative and analytical tools so as to comprehend the underlying complexities of the financial world. With this in backdrop, the main objective of the course is designed to equip the students with quantitative and analytical techniques used in Finance – especially the Econometrics. This will enable to the students to model real life complexities with comfort and derive necessary results for sound financial decisions as well as understand and appreciate the underlying logic of some of the aspects of Finance Theory.

### **Course Learning Outcomes:**

CLO1: Understanding quantitative and analytical models as well as gain sufficient exposure to various modeling techniques in Finance.

CLO2: Understanding the underlying dynamic process governing any asset's pricing behaviour so as to determine the equilibrium prices in the market.

CLO3: Estimating necessary parameters using real data.

CLO4: Financial Engineering

### **Contents:**

**Unit I:** Introduction to Econometrics and basic ideas related to modelling economic and financial problems, nature and applications of Econometrics; Simple Regression Model with Classical Assumptions; Least Square Estimation and its BLUE properties. Application of Simple Regression Model to determination of different kinds of risk – systematic risk, unsystematic risk and others using Factor Models for pricing a share

**Unit II:** Multiple Regression Model and its assumptions; Criteria for Goodness-of-Fit of a model, Hypothesis Testing Related to parameters – Simple and Joint, Restricted and Unrestricted; Identification of outliers and influential points, and applications in Business, Accounting and Finance.

**Unit III:** Modelling business and financial problems with special characteristics using Classical Regression Models – Non-Linear Relations, Estimation of Elasticity; Impact of rescaling dependent and independent variables on the Estimation of parameters; Issues related to Over-fitting and under-fitting of a model, Omitted Variable Bias, Dummy Variables in Regression Model to model qualitative/Binary/Structural changes

**Unit IV:** Testing of assumptions of Classical Regression Model or OLS estimators for their probable violations, identification of violations, their impact on the properties of parameters; impact violation of assumptions on the reliability and the validity of inferences, and methods to take care of violations of assumptions.

**Unit V:** Regression Models with Limited Dependent Variables – Linear Probability Model, Logit, and Probit Models for binary develop variables and Multinomial Logistic Regression model.

**Unit VI:** Introduction to time series and stochastic processes; challenges with time series analysis; Correlogram, Unit Root and Stationary Testing, Forecasting of means – ARIMA modeling and Forecasting of Volatility – ARCH and GARCH

**Suggested Readings:**

- Damodar N. Gujarati: Basic Econometrics, McGraw Hill Latest Edition
- Paul Wilmott on Quantitative Finance, John Wiley and Sons Ltd., Latest Edition.
- Chris Brooks: 'Introductory Econometrics for Finance', Cambridge University Press, Latest Edition.
- Robert S Pindyck, and Daniel L Rubinfeld, Econometric Models and Economic Forecasts, McGraw-Hill Publishing Co, Latest Edition
- William H. Greene, Econometric Analysis, Pearson India, Latest Edition
- Jeffrey M. Wooldridge, Introductory Econometrics: A Modern Approach, South-Western College Publishing, Latest Edition
- Dimitrios Asteriou and Stephen G. Hall, Applied Econometrics, Palgrave Macmillan, Latest Edition

*(The list of cases and specific references including recent articles will be provided in the class)*

**Teaching Plan:**

**Week 1:** Introduction to Econometrics and basic ideas related to modelling economic and financial problems, nature and applications of Econometrics; Simple Regression Model with Classical Assumptions; Least Square Estimation.

**Week 2:** BLUE properties of OLS or Classical Regression Model. Application of Simple Regression Model to determination of different kinds of risk – systematic risk, unsystematic risk and others using Factor Models for pricing a share

**Week 3:** Multiple Regression Model and its assumptions; Criteria for Goodness-of-Fit of a model, Hypothesis Testing Related to parameters – Simple and Joint, Restricted and Unrestricted

**Week 4:** Identification of outliers and influential points in a regression model, and applications of Multiple Regression in Business, Accounting and Finance. Modelling business and financial problems with special characteristics using Classical Regression Models – Non-Linear Relations

**Week 5:** Estimation of Elasticity, studying the impact of rescaling dependent and independent variables on the Estimation of parameters; Issues related to Over-fitting and under-fitting of a model, Omitted Variable Bias

**Week 6:** Qualitative data and dummy variables as independent variables in Regression Model to model qualitative/ Binary/Structural changes

**Week 7:** Testing of assumptions of Classical Regression Model or OLS estimators for their probable violations, identification of violations, their impact on the properties of parameters; impact violation of assumptions on the reliability and the validity of inferences, and methods to take care of violations of assumptions-I

**Week 8:** Testing of assumptions of Classical Regression Model or OLS estimators for their probable violations, identification of violations, their impact on the properties of parameters; impact violation of assumptions on the reliability and the validity of inferences, and methods to take care of violations of assumptions-II

**Week 9:** Testing of assumptions of Classical Regression Model or OLS estimators for their probable violations, identification of violations, their impact on the properties of parameters; impact violation of assumptions on the reliability and the validity of inferences, and methods to take care of violations of assumptions-III

**Week 10:** Regression Models with Limited Dependent Variables – Linear Probability Model, Logit, and Probit Models for binary develop variables and Multinomial Logistic Regression model.

**Week 11:** Introduction to time series and stochastic processes; challenges with time series analysis; Correlogram, Unit Root and Stationary Testing

**Week 12:** Forecasting of means – ARIMA modeling and Forecasting of Volatility – ARCH and GARCH

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity                      | Assessment Tasks        |
|----------|--|---|-------------------------|
| 1.       | Understanding and learning basics of modelling through Econometrics; Simple Regression Model with Classical Assumptions; Least Square Estimation And its BLUE properties. Appreciating the application of Simple Regression Model to determination of different kinds of risk.                   | Class-Room Teaching with exercises and case-studies | Assignment – Individual |
| 2.       | Understanding Multiple Regression Model and its assumptions; Criteria for Goodness-of-Fit of a model, Hypothesis Testing Related to parameters – Simple and Joint, Restricted and Unrestricted; Identification of outliers and influential points, and learning how to apply multiple regression | Class-Room Teaching with exercises and case-studies | Assignment – Individual |

|    |   |   |   |
|----|---|---|---|
|    | solving problems in Business, Accounting and Finance.   |   |   |
| 3. | Sharpening skills in modelling business and financial problems with special characteristics using Classical Regression Models, Estimation of Elasticity; Impact of rescaling dependent and independent variables on the Estimation of parameters; ensuring proper specification of regression model, appreciating the implication of Omitted Variable Bias, Dummy Variables in Regression Model to model qualitative/ Binary/Structural changes | Class-Room Teaching with exercises and case-studies   | Assignment – Individual/Group                       |
| 4. | Appreciating the implications of violations of assumptions of OLS, learning testing of assumptions of Classical Regression Model or OLS estimators for their probable violations, identification of violations, appreciating their impact on the properties of parameters; impact violation of assumptions on the reliability and the validity of inferences, and methods to take care of violations of assumptions.                            | Class-Room Teaching with exercises and case-studies   | Assignment – Individual and Real Life Group Project |
| 5. | Building capabilities to model a regression model with Limited Dependent Variables – Linear Probability Model, Logit, and Probit Models for binary develop variables and Multinomial Logistic Regression model.   | Class-Room Teaching with exercises and case-studies; Special Lecture on use of Econometrics as a part of overall business analytics | Assignment – Individual and Real Life Group Project |
| 6. | Appreciating the role of time series data in Business and Finance, understanding time series and stochastic processes; identification of Unit Root and Stationary Testing, building capabilities of forecasting of means – ARIMA modeling and forecasting of Volatility – ARCH and GARCH  | Class-Room Teaching with exercises and case-studies; Special Lecture from industry.   | Assignment – Individual and Real Life Group Project |

## **206: INVESTMENT ANALYSIS**

### **Course Objectives:**

To provide the students an in-depth knowledge of different investment vehicles and familiarize them with suitable framework for their valuation.

### **Course Learning Outcomes:**

CLO1: Overview of investment environment and risk return evaluation framework

CLO2: Basic understanding of bond fundamentals and their applications in valuations

CLO3: Application of equity analysis tools for valuation and security selection

CLO4: Knowledge of derivative markets and pricing framework of financial derivatives

CLO5: Overview of alternative investment markets such as real estate, commodities, art market etc.

### **Course Outline:**

**Unit I:** Financial markets – Organization, structure and trading process; Financial instruments and impact of taxes; Stock and bond market indices, sources of financial information; Concept and measurement of return and risk, beta estimation procedures.

**Unit II:** Types of bonds, bond features, components of bond return and risk, estimating bond yields; valuation models – YTM and arbitrage free pricing approaches; Concept of duration and convexity, bond immunization – micro and macro hedging; term structure models, credit ratings.

**Unit III:** Equity types and features; Fundamental analysis, overview of economic-industry-company (E-I-C) analysis framework, dividend capitalization models, price multiple approach; classical and modern technical analysis – price and volume based indicators.

**Unit IV:** Objectives and functions of derivatives market; Forward and futures contracts – types, market features and trading process; Valuation models – cost of carry model and unbiased expectation approach, theory of normal price and contango; Option contracts – basic terms and types of options, pay-off profiles; Option pricing models – binomial model and Black Scholes model, concept of volatility index.

**Unit V:** Real estate – types and features, valuation models – cost approach, sales comparison approach, income approach, after tax cash flow approach, reit and real estate indices, commodity markets – types of commodities, spot and derivative segments, local and international information linkages; The art market – features and trading process, art funds.

### **Suggested Readings**

- Bodie Z., Kane A., Marcus A., *Investments*, Latest Edition.
- Fuller R., and Farreel J.L., *Modern Investments and Security Analysis*, Latest edition.
- Charles P. Jones, *Investment Analysis and Management*, John Wiley & Sons, Latest Edition.
- Fabozzi and Markowitz, *The Theory and Practice of Investment Management*, John Wiley & Sons Inc., Latest Edition.
- Donel E. Fischer and Ronald J. Jordan, *Security Analysis and Portfolio Management*, Pearson Education, Latest Edition.
- Jobman, D., *The Handbook of Alternative Investments*, Latest Edition.

### **Teaching Plan**

**Week 1:** Global financial markets – Organization, structure and trading process; Financial instruments and impact of taxes

**Week 2:** Stock and bond market indices, sources of financial information; Concept and measurement of return and risk, beta estimation procedures

**Week 3:** Types of bonds, bond features, components of bond return and risk

**Week 4:** Estimating bond yields; valuation models – YTM and arbitrage free pricing approaches

**Week 5:** Concept of duration and convexity, bond immunization – micro and macro hedging; term structure models, credit ratings

**Week 6:** Equity types and features; Fundamental analysis, overview of economic-industry-company (E-I-C) analysis framework

**Week 7:** Dividend capitalization models, price multiple approach

**Week 8:** Classical and modern technical analysis – price and volume based indicators

**Week 9:** Objectives and functions of derivatives market; Forward and futures contracts – types, market features and trading process; Valuation models – cost of carry model and unbiased expectation approach, theory of normal price and contango

**Week 10:** Option contracts – basic terms and types of options, pay-off profiles; Option pricing models – binomial model and Black Scholes model, concept of volatility index

**Week 11:** Real estate – types and features, valuation models – cost approach, sales comparison approach, income approach, after tax cash flow approach, REIT and real estate indices

**Week 12:** Commodity markets – types of commodities, spot and derivative segments, local and international information linkages; the art market – features and trading process, art funds

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                       | Teaching and Learning Activity                     | Assessment Tasks  |
|----------|--|--|-------------------|
| 1.       | Understand the Investment Environment and Evaluation Framework | Project Presentation/Case Analysis/Quiz            | Test/Presentation |
| 2.       | Understand Bond Analysis and Valuation                         | Project Presentation/Case Analysis/Quiz            | Test/Presentation |
| 3.       | Discuss Equity Analysis and Valuation                          | Project Presentation/Case Analysis/Quiz/Simulation | Test/Presentation |
| 4.       | Understand financial derivatives                               | Project Presentation/Case Analysis/Quiz            | Test/Presentation |
| 5.       | Understand Alternative Investments                             | Project Presentation/Case Analysis/Quiz            | Test/Presentation |

**207: INTERNATIONAL FINANCE**

**Course Objectives:**

The objective of the paper is to provide the students an overview of international financial system, foreign exchange market and Forex risk management. The course shall also cover some issues relating to multinational corporate finance.

**Course Learning Outcomes:**

CLO1: To familiarize students with the balance of payment accounting and its linkages with the domestic economy.

CLO2: To familiarize students with international monetary system and foreign exchange market.

CLO3: To introduce students with concepts and methods of exchange rate risk and its management.

CLO4: To develop an understanding of multinational finance and related concepts.

**Content:**

**Unit I:** Evolution of the international monetary system, Exchange rate arrangements, Reform of international monetary system, Balance of payments accounting, Gains from financial globalization.

**Unit II:** Functions and structure of foreign exchange market, Exchange rate: essential concepts and determination, Theories of exchange rate, International arbitrage and interest rate parity.

**Unit III:** Forecasting exchange rates, Foreign exchange risk: types and measurement, Currency derivatives.

**Unit IV:** Offshore financing – international equity, debt and Euro-currency markets; Trade Financing – payment methods and trade financing methods; Foreign direct investment, Cross-border mergers and acquisitions.

**Unit V:** Multinational capital budgeting – Capital structure and cost of capital – Sovereign risk.

**Teaching Plan**

**Week 1:** Evolution of the international monetary system, Exchange rate arrangements.

**Week 2:** Balance of payments accounting, Gains from financial globalization.

**Week 3:** Functions and structure of foreign exchange market, Exchange rate: essential concepts and determination.

**Week 4:** Theories of exchange rate, International arbitrage.

**Week 5:** Interest rate parity and International Fisher Effect.

**Week 6:** Forecasting exchange rates, Foreign exchange risk: types, measurement and management.

**Week 7:** Currency derivatives.

**Week 8:** Offshore financing: international equity and debt, Euro-currency markets.

**Week 9:** Trade Financing: payment methods and trade financing methods.

**Week 10:** Foreign direct investment, Cross-border mergers and acquisitions.

**Week 11:** Multinational capital budgeting

**Week 12:** Cost of capital and Sovereign risk.

**Suggested Readings:**

- Pilbeam, K., *International Finance*, Palgrave Macmillan. Latest Edition
- Madura, J., *International Financial Management*, Cengage Learning. Latest Edition
- Eun, C.S., and Resnic, B.G., *International Financial Management*, McGraw Hill. Latest Edition
- Feenstra, R.C., and Taylor, A.M., *International Macroeconomics*, Worth Publishers. Latest Edition
- Desai, M. A., *International Finance: A Case Book*, Wiley, Latest Edition.
- Levi, M., *International Finance*, Routledge. Latest Edition.
- Grabbe, O., *International Financial Markets*, Prentice Hall. Latest Edition.
- Apte, P.G., *International Financial Management*, Tata McGraw Hill. Latest Edition.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understanding the balance of payments accounting                               | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Understanding the international financial system                               | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understanding the functions of foreign exchange market and exchange rate risks | Lectures/Class Discussion            | Test/Presentation |
| 4.       | Understanding the concept and methods of offshore financing                    | Lectures/Class Discussion            | Test/Presentation |
| 5.       | Understanding multinational finance  | Lectures/Class Discussion            | Test/Presentation |

## **301: FINANCIAL SERVICES AND WEALTH MANAGEMENT**

### **Course Objectives:**

The objective of this course is to familiarise the students with the nature and scope of various types of financial services and to understand the regulatory environment in which they are undertaken.

### **Course Learning Outcomes:**

CLO1: Understand the nature and scope of various types of financial services.

CLO2: Knowledge of regulatory environment surrounding the financial services.

CLO3: Solving problems related to leasing and hire purchase.

CLO4: Understand the concept of wealth management.

### **Contents:**

**Unit I:** Lease Financing, Regulatory framework, Accounting issues, Financial evaluation, Valuation issues, Taxation issues, Hire purchase, Bill discounting, Factoring

**Unit II:** Merchant banking, Capital Issue management, SEBI Regulations, Credit rating agencies and their methodology, Stock Broking, SEBI Regulations, Mutual funds, Dividend Tax, Securities Transaction Tax (STT), Capital Gains Taxation; Taxation of Fixed Deposits and Fixed Maturity Plans; Dividend and Growth Options in Mutual Fund scheme, Portfolio Management Schemes, Insurance services, Regulatory framework for Insurance, Reinsurance

**Unit III:** Types of financial products, Investment planning process, Role of Financial planner, Financial Planning Process, Risk Profiling, Situational and psychological profiling, Client Mapping, Data Gathering and Analysis, Wealth Management in global context, Taxation regimes, Estate planning, Retirement Planning, Post retirement Objectives

**Unit IV:** Investor characteristics, Individual investment policy statement, Risk and Return objectives, Investment constraints, Liquidity Goals based investing, Asset allocation concepts, Goals based investing, Selecting investment managers, Portfolio Management process

**Unit V:** Investment policy statement for endowments and foundations, Investment objectives and constraints, Pension funds, Asset-Liability management, Defined benefit plans vs defined contribution plans, Risk tolerance, Investment management committee, Legal and regulatory factors

### **Teaching Plan**

**Week 1:** Lease Financing, Regulatory framework, Accounting issues

**Week 2:** Financial evaluation, Valuation issues, Taxation issues, Hire purchase, Bill discounting, Factoring

**Week 3:** Merchant banking, Capital Issue management, SEBI Regulations, Credit rating agencies and their methodology, Stock Broking, SEBI Regulations, Mutual funds, Dividend Tax, Securities Transaction Tax (STT), Capital Gains Taxation; Taxation of Fixed Deposits and Fixed Maturity Plans; Dividend and Growth Options in Mutual Fund scheme

**Week 4:** Portfolio Management Schemes, Insurance services, Regulatory framework for Insurance, Reinsurance

**Week 5:** Types of products, Investment planning process, Role of Financial planner

**Week 6:** Financial Planning Process, Risk Profiling, Situational and psychological profiling, Client Mapping, Data Gathering and Analysis

**Week 7:** Wealth Management in global context, Taxation regimes, Estate planning, Retirement Planning, Post retirement Objectives

**Week 8:** Investor characteristics, Individual investment policy statement, Risk and Return objectives,

**Week 9:** Investment constraints, Liquidity Goals based investing

**Week 10:** Asset allocation concepts, Goals based investing, Selecting investment managers, Portfolio Management process

**Week 11:** Investment policy statement for endowments and foundations, Investment objectives and constraints, Pension funds, Asset-Liability management

**Week 12:** Defined benefit plans vs. defined contribution plans, Risk tolerance, Investment management committee, Legal and regulatory factors

**Suggested Readings:**

- Khan, M.Y., *Financial Services*, Tata McGraw-Hill, New Delhi, Latest edition.
- Verma, J.C., *Handbook of Merchant Banking and Financial Services*, Bharat Law House Pvt. Ltd., Latest Edition
- Molver, C. and G. Naylor, *Marketing Financial Service*, Latest Edition.
- Zenoff, David P. *Marketing Financial Services*, Ballinger Publishing Company Ltd., Latest Edition
- Evensky, H., Horan, S. M., & Robinson, T. R., *The New Wealth Management: The Financial Advisor's Guide to Managing and Investing Client Assets*, John Wiley & Sons, Latest edition
- Maginn, J. L., Tuttle, D. L., McLeavey, D. W., & Pinto, J. E. (Eds.), *Managing investment portfolios: a dynamic process*, John Wiley & Sons, Latest edition
- Maude, D., *Global private banking and wealth management: the new realities*, John Wiley & Sons, Latest edition

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understand the concept of fund based services including valuation issues                                     | Lectures/Class Discussion            | Test/Presentation |
| 2.       | Understand the concept of Fee based/ Advisory services including SEBI regulations                            | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understand the Investment planning process and role of financial planner                                     | Lectures/Class Discussion/Case study | Test/Presentation |
| 4.       | Understand and create Investment Policy Statement for Individuals  | Lectures/Class Discussion/Case study | Test/Presentation |
| 5.       | Understand Investment policy statement for endowments and foundations including legal and regulatory factors | Lectures/Class Discussion/Case study | Test/Presentation |

**302: FINANCIAL DERIVATIVES & RISK MANAGEMENT**

**Course Objectives:**

The purpose of the course is to introduce the students to various tools and techniques of financial risk management and applications thereof.

**Course Learning Outcomes:**

CLO1: Understand the basic concept of derivative market.

CLO2: Understand the forward and futures market.

CLO3: Assess the value of options.

CLO4: Acquaintance with the advance topics such as Exotic Options, Swaptions and Credit Derivatives.

**Contents**

**Unit I:** Types, participant and functions of derivative market, Development of exchange traded derivatives, domestic and global derivatives markets, Exchange traded vs OTC derivatives market, Derivatives trading in India and in the World.

**Unit II:** Introduction and key features of futures contracts, Trading, Clearing and Settlement Systems, Determination of futures and forwards prices, Risk management Strategies using Interest rate, Commodity and Currency futures.

**Unit III:** Option markets, properties of stock option, trading strategies using options, option pricing models, pricing of index options, Greeks, management of risk using option contracts.

**Unit IV:** Interest Rate Swaps, cross Currency Swaps, FRA, pricing of Swaps, Flavored Swaps, Equity and Commodity Swaps.

**Unit V:** Management of interest rate risk, Foreign Exchange risk and credit risk using derivative products, Exotic options, Swaptions, Credit Derivatives including Credit Linked Notes, Credit Default Swaps, Total Return Swaps, HJM and LMM model of Interest Rate Derivatives, Real Options.

**Suggested reading:**

- Hull, John C., and Sankarshan Basu. *Options, futures, and other derivatives*. Pearson Education India, 2016.
- Dubofsky, David A., and Thomas W. Miller. *Derivatives: valuation and risk management*. Oxford University Press, USA, 2003.
- Broyles, Jack. *Financial management and real options*. John Wiley & Sons, 2007.
- Bhalla, V. K. *Financial Derivatives: Risk Management*. S. Chand, Latest Edition.

- Bittman, James B. *Trading and Hedging with Agricultural Futures and Options*. Vol. 91. John Wiley & Sons, 2012.
- Briys, Eric, et al. "Options." *Futures and Exotic Derivatives*. Chichester, Wiley, Latest Edition.
- Chew, Lillian. *Managing Derivative Risks: the use and abuse of leverage*. Wiley, Latest Edition.
- Chance, Don M. *An introduction to options and futures*. Chicago: Dryden Press, Latest Edition.
- Report of Prof. L.C. Gupta, Committee on derivatives Trading.
- Shapiro, Alan C. *Multinational financial management*. John Wiley & Sons, 2008.
- Kolb, Robert W., and James A. Overdahl. *Financial derivatives*. Vol. 194. John Wiley & Sons, 2003.
- Vij, Madhu. *Multinational Financial Management*. Excel Books, 2002.
- Vohra, N. D., and B. R. Bagri. "Options and Futures." *TMH(2003)*.

(The list of cases and specific reference including recent articles will be announced in the class)

### **Teaching Plan:**

**Week 1:** Types, participant and functions, Development of exchange traded derivatives, global derivatives markets, Exchange traded vs OTC derivatives market, Derivatives trading in India and in the World

**Week 2:** Introduction, key features of future contracts, Futures vs Forwards, Trading, Clearing and Settlement Systems

**Week 3:** Determination of futures and forwards prices

**Week 4:** Risk Management Strategies using Futures, Interest rate, Commodity and Currency features

**Week 5:** Option markets, properties of stock option, trading strategies using options

**Week 6:** option pricing models, pricing of index options, Greeks, management of risk using option contracts.

**Week 7:** Interest Rate Swaps, cross Currency Swaps, FRA

**Week 8:** pricing of Swaps, Flavored Swaps, Equity and Commodity Swaps

**Week 9:** Management of interest rate risk, Foreign Exchange risk and credit risk using derivative products

**Week 10:** Exotic options, Swaptions

**Week 11:** Credit Derivatives including Credit Linked Notes, Credit Default Swaps, Total Return Swaps

**Week 12:** HJM and LMM model of Interest Rate Derivatives, Real Options.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                   | Teaching and Learning Activity         | Assessment Tasks  |
|----------|--|--|-------------------|
| 1.       | Understanding the basics of derivatives    | Lectures/Class discussion              | Test/Presentation |
| 2.       | Understand the forward and futures market. | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Assess the value of options.               | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Understand swaps                           | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Undertake risk management                  | Lectures/Case studies/Class discussion | Test/Presentation |

## **303: INTERNATIONAL ACCOUNTING**

### **Course Objectives:**

The objective of this course is not only to develop a sound conceptual understanding of the international accounting issues among the participants but also to impart thorough knowledge of the regulatory environment in which these issues need to be tackled.

### **Course Learning Outcomes:**

CLO1: Understand the development and classification of international accounting.

CLO2: Learn to handle the accounting treatment in foreign currency transactions.

CLO3: Learn the process of harmonization of accounting standards.

CLO4: Introduce the concept of international taxation.

### **Contents**

**Unit I:** Historical and contemporary perspective, Growth and Spread of Multinational Operations, Financial Innovation & Global Competition, Comparative Accounting, Reporting and Disclosures

**Unit II:** Reasons for translations, Financial Statements Effects of Alternative Translations Rates, Foreign Currency Translation, Translation Accounting Development, International Accounting Standards, Measurement Issue

**Unit III:** Financial Reporting and changing prices, Types of Inflation adjustments, Cost Adjustments, National Perspectives, Evaluation and Control of Global Operations, International Financial Statement, Strategy and Accounting Analysis, Risk Management

**Unit IV:** Harmonization of Accounting Practices, Modelling, Financial return perspectives, Measuring Expected Returns, Multinational Cost of Capital, Issues in Control, International Product Costing and Transfer Pricing, Tax Planning dimensions

### **Suggested Readings:**

- Choi, Frederick D., and Gary K. Meek. *International Accounting: Pearson New International Edition*. Pearson Higher Ed, 2013.
- Saudagar, Shahrokh M. *International accounting: A user perspective*. CCH, 2009.
- Nobes, Christopher, and Robert Henry Parker. *Comparative international accounting*. Pearson Education, 2008.
- International Accounting Standard Board, various publications.
- International Federations of Accountants, various publications.
- Roberts, Clare, Pauline Weetman, and Paul Gordon. "International Financial Accounting." (2002).

- Coopers & Lybrand, *Global Tax Network 1997*, International Tax Summaries, A Guide for Planning and Decision, John Wiley & Sons Latest Edition.
- Radebaugh, Lee H., Sidney J. Gray, and Ervin L. Black. *International accounting and multinational enterprises*. New York, NY: John Wiley & Sons, 2006.
- Taylor, P. *Consolidated Financial Reporting*, Markus Weiner Publishers, Princeton, Latest Edition.
- Rathore, S., *International Accounting*, Prentice Hall, New Delhi, 2008.

(The list of cases and specific references including recent articles will be announced in the class)

**Teaching Plan:**

**Week 1:** Historical and contemporary perspective, Growth and Spread of Multinational Operations

**Week 2:** Financial Innovation & Global Competition, Comparative Accounting

**Week 3:** Reporting and Disclosures.

**Week 4:** Reasons for translations, Financial Statements Effects of Alternative Translations Rates

**Week 5:** Foreign Currency Translation, Translation Accounting Development

**Week 6:** International Accounting Standards, Measurement Issue,

**Week 7:** Financial Reporting and changing prices, Types of Inflation adjustments, Cost Adjustments, National Perspectives

**Week 8:** Evaluation and Control of Global Operations, International Financial Statement

**Week 9:** Strategy and Accounting Analysis, Risk Management.

**Week 10:** Harmonization of Accounting Practices, Modelling

**Week 11:** Financial return perspectives, Measuring Expected Returns, Multinational Cost of Capital

**Week 12:** Issues in Control, International Product Costing and Transfer Pricing, Tax Planning dimensions.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                         | Teaching and Learning Activity | Assessment Tasks  |
|----------|--|--------------------------------|-------------------|
| 1.       | International Dimensions of Accounting & Control | Lectures/Class discussion      | Test/Presentation |
| 2.       | Accounting for Foreign                           | Lectures/Case                  | Test/Presentation |

|    |  |  |                   |
|----|--|--|-------------------|
|    | Currency Transactions and Translations | studies/Class discussion               |                   |
| 3. | Global Financial Analysis              | Lectures/Case studies/Class discussion | Test/Presentation |
| 4. | Managerial planning and control        | Lectures/Case studies/Class discussion | Test/Presentation |

## **304: PORTFOLIO MANAGEMENT**

### **Course Objectives:**

To provide the students an in-depth knowledge of financial markets theory and equip them with the necessary skills for the management of asset portfolios.

### **Course Learning Outcomes:**

CLO1: Understand the concept of portfolio selection.

CLO2: Assess the efficiency level of the financial market.

CLO3: Application of asset pricing models for the selection of securities.

CLO4: Understand portfolio performance measurement.

CLO5: Understand the tools to deal with global investment scenario.

### **Course outline:**

**Unit I:** Setting portfolio objectives, traditional and modern portfolio theory, utility analysis; Single and multi index models, constant correlation models; Alternative portfolio selection models – safety first model, skewness preference model and Stochastic dominance models.

**Unit II:** Market Efficiency, theory and empirical tests; Standard CAPM, non-standard forms of CAPM, empirical tests of CAPM; APT and its extensions, empirical test of APT, multi factor models, the Fama-French three factor and five factor models, Carhart Model and conditional CAPM.

**Unit III:** Portfolio construction based on single index, constant correlation and multi index models; Simple buy and hold strategy, active portfolio management – Treynor – Black and Black Litterman models; Style analysis and investment strategies; International diversification.

**Unit IV:** Mutual funds, pension funds, hedge funds, sovereign funds and alternative investment funds – types and features, portfolio strategies, investment constraints.

**Unit V:** Measuring return and risks for managed portfolios; Measuring stock selections skills – explicit risk-return trade-off approaches, differential return measures, decomposition techniques; Measuring market timing skills, portfolio attribution analysis; Benchmark construction for alternative managed portfolios.

### **Suggested Readings**

- Haugen, R.A., Modern Investment Theory, Pearson Education, Latest Edition.
- Francis, J. and Ibbotson, R., Investment: A Global Perspective, Prentice Hall, Latest Edition.

- Fareell, J.L., Portfolio Management Theory and Application, McGraw-Hill, International Edition, Latest Edition.
- Sharpe, W., Alaxander, G.J. and Baileyi, J.W. Investments, Prentice Hall of India Private Ltd., Latest Edition.
- Elton, J. and Gruber, J., Modern Portfolio Theory and Investment Analysis, John Wiley & Sons, Ninth Edition, 2013.
- Sehgal, Sanjay, Asset Pricing in Indian Stock Market, New Century Publications, Latest Edition.

### **Teaching Plan**

**Week 1:** Setting portfolio objectives, traditional and modern portfolio theory, utility analysis

**Week 2:** Single and multi index models, constant correlation models

**Week 3:** Alternative portfolio selection models – safety first model, skewness preference model and Stochastic dominance models

**Week 4:** Market Efficiency, theory and empirical tests; Standard CAPM, non-standard forms of CAPM

**Week 5:** Empirical tests of CAPM; APT and its extensions, empirical test of APT

**Week 6:** Multi factor models, the Fama-French three factor and five factor models, Carhart Model and conditional CAPM

**Week 7:** Portfolio construction based on single index, constant correlation and multi index models; Simple buy and hold strategy

**Week 8:** Active portfolio management – Treynor – Black and Black Litterman models; Style analysis and investment strategies; International diversification

**Week 9:** Mutual funds, pension funds, hedge funds, sovereign funds and alternative investment funds – types and features, portfolio strategies, investment constraints

**Week 10:** Portfolio strategies, investment constraints

**Week 11:** Measuring return and risks for managed portfolios; Measuring stock selections skills – explicit risk-return trade-off approaches, differential return measures, decomposition techniques

**Week 12:** Measuring market timing skills, portfolio attribution analysis; Benchmark construction for alternative managed portfolios

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                        | Teaching and Learning Activity                     | Assessment Tasks  |
|----------|---|--|-------------------|
| 1.       | Understand the nuances of portfolio analysis    | Project Presentation/Case Analysis/Quiz            | Test/Presentation |
| 2.       | Discuss Market Efficiency and Asset Pricing     | Project Presentation/Case Analysis/Quiz            | Test/Presentation |
| 3.       | Discuss Active and Passive Portfolio Management | Project Presentation/Case Analysis/Quiz/Simulation | Test/Presentation |
| 4.       | Discuss various types of Managed Funds          | Project Presentation/Case Analysis/Quiz            | Test/Presentation |
| 5.       | Understand Portfolio Performance Evaluation     | Project Presentation/Case Analysis/Quiz            | Test/Presentation |

**305: MARKETING MANAGEMENT**

**Course Objectives:**

The objective of the course is to familiarize the students with the basic concepts, introduce the key elements in developing a marketing strategy, planning a marketing program and to develop their conceptual and analytical skills to be able to manage marketing operations of a business firm.

**Course Learning Outcomes:**

CLO1: Understand the key elements in developing a marketing strategy.

CLO2: Knowledge of consumer behavior and market segmentation.

CLO3: Make use of marketing planning & control for decision making.

CLO4: Understand the significance of ethical, legal and social responsibility in marketing.

**Course Outline:**

**Unit I:** Traditional view of marketing; marketing concept evolution ; Modern concept of marketing; Marketing functions and role; Marketing management process; Significance of scanning marketing environment; Economic, demographic, socio-cultural, technical, political and legal environment of marketing in India.

**Unit II:** Consumer vs. business buying behavior; Consumer buying decision process and influences; Psychological influences affecting consumer behavior; Industrial buying process; Steps involved in segmentation; Targeting and Positioning: Bases and procedure for segmenting a consumer market; Criteria for effective market segmentation; Target market selection and strategies; Positioning – concept, bases and process

**Unit III:** Product concept and classification; Major product decisions; New product development; Consumer adoption and innovation diffusion; Product life cycle – concept and appropriate strategies to be adopted at different stages; Elements of brand personality and brand equity

**Unit IV:** Procedure; Factors affecting price of a product; Pricing policies and strategies; Objectives of pricing; marketing channel of distribution; need for intermediaries; Different types of distributions, middlemen and their functions; supply chain and logistic management; Retailing and wholesaling; Meaning and importance of promotion; Tools of Promotion; determining optimal promotion mix; advertising program; promotional campaign;;

**Unit V:** Marketing Planning, Organizing and Control: Marketing planning process; Different ways of organizing the marketing department; Sales, cost and profit analysis.

**Unit VI:** Significance of ethics in marketing; Consumer Protection in India; Services marketing, rural marketing, direct marketing, internet marketing and other marketing developments.

**Suggested Readings:**

- Kotler, Philip, and Gary Armstrong, *Principles of Marketing*, Latest Edition.
- Etzel, Michael J., Bruce J. Walker and William J. Stanton, *Fundamentals of Marketing*, McGraw Hill, Latest Edition
- McCarthy, E. Jerome, Joseph P. Cannon and William D. Perrault, Jr., *Basic Marketing: A Managerial Approach*, McGraw Hills, Latest Edition
- Keller, Philip, Keller Kevin lane, Koshy Abraham, JhaMithileshwar, Marketing Management : A South Asian Perspective, Latest Edition

**Teaching Plan:**

**Week 1:** Traditional view of marketing; marketing concept evolution; Modern concept of marketing; Marketing functions and role

**Week 2:** Marketing management process; Significance of scanning marketing environment; Economic, demographic, socio-cultural, technical, political and legal environment of marketing in India

**Week 3:** Consumer vs. business buying behavior; Consumer buying decision process and influences; Psychological influences affecting consumer behavior

**Week 4:** Industrial buying process; Steps involved in segmentation; Targeting and Positioning: Bases and procedure for segmenting a consumer market; Criteria for effective market segmentation

**Week 5:** Target market selection and strategies; Positioning – concept, bases and process, Product concept and classification; Major product decisions; New product development

**Week 6:** Consumer adoption and innovation diffusion; Product life cycle – concept and appropriate strategies to be adopted at different stages; Elements of brand personality and brand equity

**Week 7:** Procedure; Factors affecting price of a product; Pricing policies and strategies; Objectives of pricing; marketing channel of distribution; need for intermediaries

**Week 8:** Different types of distributions, middlemen and their functions; supply chain and logistics management

**Week 9:** Retailing and wholesaling; Meaning and importance of promotion; Tools of Promotion; determining optimal promotion mix; advertising program; promotional campaign

**Week 10:** Marketing Planning, Organizing and Control:

**Week 11:** Marketing planning process; Different ways of organizing the marketing department; Sales, cost and profit analysis

**Week 12:** Significance of ethics in marketing; Consumer Protection in India; Services marketing, rural marketing, direct marketing, internet marketing and other marketing developments

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---|--|-------------------|
| 1.       | Introduction & Scanning of Marketing Environment                    | Lectures/Class discussion              | Test/Presentation |
| 2.       | Consumer/ Buyer behavior & Market Segmentation                      | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Management of products, Services, and brands                        | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Pricing, Distribution & Promotion Decisions for Products & services | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Marketing Planning & control  | Lectures/Case studies/Class discussion | Test/Presentation |

## **306: FIXED INCOME SECURITIES**

### **Course Objectives:**

Markets of Fixed Income Securities, popularly known as Bonds, have seen globally as well as domestically tremendous growth and innovations. Therefore, it is imperative for a student of Finance to understand and appreciate the same. The basic objective of the course is to introduce the students to the World of Fixed Income Securities and equip them with necessary skill to handle its challenges.

### **Course Learning Outcomes:**

CLO1: Understanding Fixed Income Securities, their markets, their participants, their instruments, and their regulators.

CLO2: Understanding the underlying dynamics of Fixed Income Securities.

CLO3: Understanding, estimating and modelling yield curve and term structure of interest rates

CLO4: Understanding and measuring risks of Fixed Income Securities.

CLO5: Appreciating the derivative products related to Fixed Income Securities.

CLO6: Developing capabilities of managing portfolio of Fixed Income Securities and measure the performance of the same.

### **Contents:**

**Unit I:** Basics of Fixed Income Securities or bonds, bond market, instruments in bond market, participants of bond market, regulators of bond market and their role in controlling bond market, mechanism of issuing government securities by RBI and Monetary Policy and its impact on the bond market

**Unit II:** Understanding valuation and pricing of a bond, yield-to-maturity, dynamics of bonds in terms of relations between bond price, maturity, coupon and YTM. The Yield Curve and Term Structure of interest rates – their theories; different shapes of the yield curve and economics conditions and their impact on bond prices

**Unit III:** Risks associated with fixed income securities, Sensitivity of bond prices and YTM – DV01, Duration and its determinants; Convexity of a bond, its relation with duration and its determinants, credit risk – Probability of default and its measurement, Value at Risk for a bond portfolio.

**Unit IV:** Estimating the Yield curve, zero-coupon-yield curve and par-value yield curve. Bootstrapping Method, Linear and Piece-Wise-Linear Methods, Spline Methods, Nelson and Siegel, and other methods. Introduction to stochastic process and its calculus, interest rate modeling – the Vasicek-model and The Cox-Ingersoll-Ross model

**Unit V:** Bond Portfolio construction, setting portfolio objectives, interpreting portfolio parameters, Passive Portfolio management strategies, ladder, barbell and bullet, Bond Indexing, Semi-Active and Immunization strategies – dedicated or cash flow matching strategy, Active Portfolio strategies including shifts in yield or change in yield spread based strategies, evaluation of performance of a bond portfolio.

**Unit VI:** Introduction to derivatives with underlying fixed income securities; FRAs, Interest rate Swaps, swap pricing and swap curve, Interest rate futures, Interest Rate Options, Caps & Floors pricing

**Suggested Readings:**

- Suresh M. Sundaresan: Fixed Income Markets and Their Derivatives, International Thomson Publishing, Latest Edition
- Frank A Fabozzi: The handbook of Mortgage backed Securities. Probus Publishers, Latest Edition
- F.J. Fabozzi: The Handbook of Fixed Income Securities. Tata McGraw Latest Edition
- Lionel Martellini, Philippe Priaulet, and Stephane Priaulet: Fixed-Income Securities: Valuation, Risk Management and Portfolio Strategies, Wiley, Latest Edition
- B. Tuckman: Fixed Income Securities, latest edition, Wiley, Latest Edition
- M. Choudry: Fixed Income Markets: Instruments, Applications, Mathematics, Wiley, Latest Edition

*(The list of cases and specific references including recent articles will be provided in the class)*

**Teaching Plan:**

**Week 1:** Basics of Fixed Income Securities or bonds, bond market, instruments in bond market, participants of bond market

**Week 2:** Regulators of bond market and their role in controlling bond market, mechanism of issuing government securities by RBI and Monetary Policy and its impact on the bond market

**Week 3:** Understanding valuation and pricing of a bond, yield-to-maturity, dynamics of bonds in terms of relations between bond price, maturity, coupon and YTM.

**Week 4:** The Yield Curve and Term Structure of interest rates – their theories; different shapes of the yield curve and economics conditions and their impact on bond prices

**Week 5:** Risks associated with fixed income securities, Sensitivity of bond prices and YTM – DV01, Duration and its determinants; Convexity of a bond, its relation with duration and its determinants

**Week 6:** Credit risk – Probability of default and its measurement, Value at Risk for a bond portfolio

**Week 7:** Estimating the Yield curve, zero-coupon-yield curve and par-value yield curve.

Bootstrapping Method, Linear and Piece-Wise-Linear Methods, Spline Methods, Nelson and Siegel, and other methods.

**Week 8:** Introduction to stochastic process and its calculus-Arithmetic Brownian Motion, Geometric Brownian Motion and Mean-Reverting Process; Ito's Lemma

**Week 9:** Interest rate modeling – the Vasicek-model and The Cox-Ingersoll-Ross model

**Week 10:** Bond Portfolio construction, setting portfolio objectives, interpreting portfolio parameters, Passive Portfolio management strategies, ladder, barbell and bullet, Bond Indexing, Semi-Active and Immunization strategies – dedicated or cash flow matching strategy

**Week 11:** Active Portfolio strategies including shifts in yield or change in yield spread based strategies, evaluation of performance of a bond portfolio.

**Week 12:** Introduction to derivatives with underlying fixed income securities; FRAs, Interest rate Swaps, swap pricing and swap curve, Interest rate futures, Interest Rate Options, Caps & Floors pricing

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity  | Assessment Tasks                            |
|----------|---|---|---|
| 1.       | Understanding and learning basics of Fixed Income Securities or bonds, bond market, instruments in bond market, participants of bond market, regulators of bond market and Monetary Policy and its impact on the bond market  | Class-Room Teaching with exercises and case-studies                                 | Assignment – Individual                     |
| 2.       | Understanding valuation and pricing of a bond, yield-to-maturity, dynamics of bonds in terms of relations between bond price, maturity, coupon and YTM. The Yield Curve and Term Structure of interest rates – their theories | Class-Room Teaching with exercises and case-studies                                 | Assignment – Individual                     |
| 3.       | Understanding and appreciating Risks associated with fixed income securities, Sensitivity of bond prices and YTM – DV01, Duration and Convexity, credit risk – and Value at Risk for a bond portfolio.                        | Class-Room Teaching with exercises and case-studies, Special Lecture from industry. | Assignment – Individual/Group               |
| 4.       | Building capabilities in Estimating the Yield curve, zero-  | Class-Room Teaching with  | Assignment – Individual and Real Life Group |

|    |   |  |   |
|----|---|--|---|
|    | coupon-yield curve and par-value yield curve using different methods; introducing students to stochastic process and its calculus, interest rate modeling – the Vasicek-model and The Cox-Ingersoll-Ross model  | exercises and case-studies   | Project   |
| 5. | Building capabilities in Bond Portfolio construction, setting portfolio objectives, interpreting portfolio parameters, Passive Portfolio management Semi-Active and Immunization strategies and Active Portfolio strategies, evaluation of performance of a bond portfolio. | Class-Room Teaching with exercises and case-studies; Special Lecture on use of Bond Portfolio in real life | Assignment – Individual and Real Life Group Project |
| 6. | Making students aware of derivatives with underlying fixed income securities; FRAs, Interest rate Swaps, swap pricing and swap curve, Interest rate futures, Interest Rate Options, Caps & Floors pricing   | Class-Room Teaching with exercises and case-studies; Special Lecture from industry.                        | Assignment – Individual and Real Life Group Project |

**307: TAX PLANNING AND MANAGEMENT**

**Course Objectives:**

The purpose of this course is to update participants with recent direct and indirect tax laws provisions and to develop an extensive understanding of accepted tax practices and its implications for planning. The course equips students with practical aspects of corporate taxation required for efficient business decision making.

**Course Learning Outcomes:**

CLO1: Understand the nature and scope of tax management.

CLO2: Use of the concept and computation of Income under the head salary and House property.

CLO3: Understand the concept and computation of Income from business/profession

CLO4: Understand the concept of indirect taxes

**Contents:**

**Unit I:** Nature and Scope of Tax Management, Corporate Taxation in India, Concepts of Tax Planning, Tax Management, Tax Avoidance, Tax Evasion, Tax Planning relating to: Setting up of new business, Financial Management decisions, Managerial Remuneration

**Unit II:** Scope of Income and Residential status, Income under the head salary, Perquisites, Deductions Allowed from Salaries

**Unit III:** Income from House Property, Loss from house property, Deductions from Income under House Property, Interest on Housing Loan

**Unit IV:** Income from business/profession, speculative income, deemed profits, Short-Term and Long-Term Capital Gains, concept of Indexation, Listed vs. Unlisted securities, Tax on dividends, Securities Transaction Tax

**Unit V:** Overview of Goods and Services Tax (GST), GST in India, Compensation to States under GST, Input Tax Credit, Exemptions, Classifications

**Teaching Plan:**

**Week 1:** Nature and Scope of Tax Management, Corporate Taxation in India, Concepts of Tax Planning, Tax Management, Tax Avoidance, Tax Evasion

**Week 2:** Tax Planning relating to: Setting up of new business, Financial Management decisions, Managerial Remuneration

**Week 3:** Scope of Income and Residential status

**Week 4:** Income under the head salary, Perquisites and Deductions Allowed from Salaries

**Week 5:** Income from House Property,

**Week 6:** Loss from house property, Deductions from Income under House Property, Interest on Housing Loan

**Week 7:** Income from business/profession

**Week 8:** Speculative income and deemed profits

**Week 9:** Short-Term and Long-Term Capital Gains, concept of Indexation, Listed vs. Unlisted securities,

**Week 10:** Tax on dividends, Securities Transaction Tax

**Week 11:** Overview of Goods and Services Tax (GST), GST in India, Compensation to States under GST

**Week 12:** Input Tax Credit, Exemptions, Classifications

### **Suggested Readings**

- Singhania, V.K., *Direct Taxes: Law and Practice*, Taxmann Publications, Latest Edition.
- Ahuja, Girish. and Gupta, Ravi., Systematic Approach to Taxation, Latest Edition
- Ahuja, Girish. and Gupta Ravi, Simplified Approach to Corporate Tax Planning & Management, latest Edition
- Srinivas. E.A, Corporate Tax Planning, Tata McGraw Hill, Latest Edition
- Singhania, V.K., *Direct Taxes: Planning and Management*, Taxmann Publications, Latest Edition.
- Kanga, J.B., Palikawala, N.A. and Vyas, D., *The Law & Practice of Income Tax*, Latest Edition
- Income Tax Act, 1961.
- Income Tax Rules, 1962.
- Circulars issued by C.B.D.T.
- Income Tax Reports (I.T.R.).
- Finance Act for the relevant assessment year

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                             | Teaching and Learning Activity | Assessment Tasks  |
|----------|--|--------------------------------|-------------------|
| 1.       | Understanding the nature and scope of tax management | Lectures/Class Discussion      | Test/Presentation |

|    |  |                                      |                   |
|----|--|--------------------------------------|-------------------|
| 2. | Understanding the computation of Income from Salary                                | Lectures/Class Discussion            | Test/Presentation |
| 3. | Understanding the computation of Income from House Property                        | Lectures/Class Discussion/Case Study | Test/Presentation |
| 4. | Understanding the computation of Income from Business/Profession and Capital Gains | Lectures/Class Discussion/Case Study | Test/Presentation |
| 5. | Understanding computation of indirect taxes  | Lectures/Class Discussion            | Test/Presentation |

## **308: GLOBAL MACROECONOMY AND FINANCIAL CRISIS**

### **Course Objectives:**

This course aims to provide an in-depth understanding of the global economy and financial crises by covering relevant economic models and policy responses of governments. The course will also provide a comprehensive view of major economic and financial events in the world economy.

### **Course Learning Outcomes:**

CLO1: To familiarize students with the concepts and working mechanism of an open economic system.

CLO2: To familiarize students with the theories and classification of financial crises.

CLO3: To develop a clear understanding of the 3-equation model and financial crises.

CLO4: To familiarize students with the issues and policies adopted by governments across the countries to respond to financial crises.

### **Contents:**

**Unit I:** Goods and financial markets in open economy – Equilibrium output and trade balance – Policy effects in open economy – International monetary experience: fixed and floating.

**Unit II:** Financial crises: definitions, classification and dating – Currency crisis: indicators and determinants – Exchange rate peg – First generation models of currency crisis – Second and third generation models of currency crisis.

**Unit III:** Bank behavior, cycles and crises – Asset price bubbles and financial accelerator – 3-equation model – Bank leveraged-centered feedback process – Balance sheet and financial accelerator – Application: Global financial crisis

**Unit IV:** History of currency crises: origin, development mechanism and policy responses – Sovereign debt crises: origin, evidence and policy responses – Domestic debt issues and debt overhangs –Optimum currency area and the Euro-Zone crisis.

**Unit V:** Early warnings of crises – Policy responses – Role of international institutions.

### **Teaching Plan**

**Week 1:** Goods and financial markets in open economy, Equilibrium output and trade balance.

**Week 2:** Policy effects in open economy, International monetary experience: fixed and floating

**Week 3:** Financial crises: definitions, classification and dating, Currency crisis: indicators and determinants.

**Week 4:** First generation models of currency crisis – Second and third generation models of currency crisis.

**Week 5:** Bank behavior, cycles and crises, Asset price bubbles and financial accelerator.

**Week 6:** 3-equation model, Bank leveraged-centered feedback process, Balance sheet and financial accelerator.

**Week 7:** Application: Global financial crisis

**Week 8:** History of currency crises: origin, development mechanism and policy responses.

**Week 9:** Sovereign debt crises: origin, evidence and policy responses, Domestic debt issues and debt overhangs.

**Week 10:** Optimum currency area and the Euro-Zone crisis.

**Week 11:** Early warnings of crises

**Week 12:** Policy responses and the role of international institutions.

**Suggested Readings:**

- Reinhart, C., and Rogoff, K., *This Time is Different: Eight Centuries of Financial Folly*, Princeton University Press. 2009, USA.
- Klob, R.W., *The Financial Crisis of Our Time*, Oxford University Press, 2011, USA.
- Aliber, R.Z., and Kindleberger, C.P., *Manias, Panics and Crashes: A history of financial crises*, Palgrave Macmillan, 2015, USA.
- Blanchard, O.J., *Macroeconomics*, Pearson. Latest Edition
- Carlin, W., Soskice, D., *Macroeconomics: Imperfection Institution & Policies*, Oxford University Press. Latest Edition.
- Pilbeam, K., *International Finance*, Palgrave Macmillan. Latest Edition
- Acharya, V.V., and Richardson, M., *Restoring Financial Stability: How to Repair a Failed System*, John Wiley & Sons, Inc., 2009

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                  | Teaching and Learning Activity       | Assessment Tasks  |
|----------|---|--------------------------------------|-------------------|
| 1.       | Developing an understanding of the open economic system   | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Understanding the theories and models of financial crisis | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understanding Asset price bubbles and                     | Lectures/Class                       | Test/Presentation |

|    |   |                           |                   |
|----|---|---------------------------|-------------------|
|    | financial accelerator   | Discussion                |                   |
| 4. | Understanding the origin and history of currency crises                   | Lectures/Class Discussion | Test/Presentation |
| 5. | Policy responses and the role of international institutions during crises | Lectures/Class Discussion | Test/Presentation |

## **309: BEHAVIORAL DECISION MAKING AND NEGOTIATION SKILLS**

### **Course Objectives:**

The course will provide an overview of the field of behavioral decision making and decision analytic perspectives to negotiation. The student should develop an understanding of the relationship between decision-making and negotiation strategies. The objectives of the course are to help students to develop decision making and negotiation skills experientially.

### **Course Learning Outcomes:**

CLO1: Understand various standard models of Decision Making and Experiments.

CLO2: Understand the process of group and team decision making.

CLO3: Understand various aspects and strategies of negotiation

### **Content**

**Unit I:** Standard Economic Models of Decision Making and Experiments, Prospect Theory, Heuristics and Biases, Fairness and Cooperation, Want/Should Conflict, Mental Accounting and Goal Setting, Cognitive Dissonance, Confirmation Bias and Escalation of Commitment, Bounded Awareness, Overconfidence and Bounded Ethicality, Libertarian Paternalism and Choice Architecture.

**Unit II:** Group and team decision making, group process, decision rules, specific group biases, heuristics and related phenomena, group polarisation, electronic group decision making, Delphi technique, Structured decision aiding, limitations of System 1 thinking, Simple Multi Attribute Rating Technique (SMART), decision trees, fault trees and scenario planning

**Unit III:** Risk perception and communication within organisations and with the wider public (includes fright factors and misinterpretation of small risks), how to use research on risk perception to convey risk information accurately, Decision-analytic approach to bargaining and negotiation, heuristics and biases used in this context, and how to become a more effective negotiator.

**Unit IV:** Definition, Negotiation vs other social interactions, Aspects of negotiation research and practice, Aspects of negotiation, Preparation for negotiation, Goal-setting: identifying your goals, options and criteria of success, Identifying your BATNA (best alternative to a negotiated agreement) and ZOPA (zone of possible agreement), Assessing the other side, red-teaming, Learning about catalysts and barriers of successful collaboration, Designing a negotiation plan, Creating a negotiation team

**Unit V:** 3 phases of actual negotiations: initial phase, exploratory phase and finalization 3, Rational and emotional elements of trust, cultural and psychological differences of trusting people, Tactics for promoting a constructive negotiation climate, Positions and interests in

negotiations, various negotiation scenarios (win-win, win-lose, lose-win, lose-lose), Thomas-Kilmann Conflict Mode Instrument in negotiations, Leigh Thompson's 5 negotiation mental models, Negotiation styles, Persuasion techniques, Instruments of negotiations, The role of outside actors in negotiations: the media and interest groups, Finalization: overcoming impasse, Reaching an agreement, types of agreements, Positional bargaining, Principled negotiations by Roger Fisher and William Ury, Mixed negotiating by Willem Mastenbroek, 3-D Negotiation by David Lax and James Sebenius, Post-negotiation assessment and evaluation

### **Suggested Readings:**

- Berghoff, E. A. et al. (2007). The International Negotiations Handbook. Success through Preparation, Strategy, and Planning. PILPG and Baker & McKenzie.
- Fisher, R., Ury, W. (2012). Getting to Yes. Business Books
- Lax, D. A., and Sebenius, J. K. (2006). 3-D Negotiation: Powerful Tools to Change the Game in Your Most Important Deals. Harvard Business Press.
- Lyons, C. (2009). I Win, You Win: The Essential Guide to Principled Negotiation. A&C Black Business Information and Development.
- Ury, W. (1991). Getting Past No: Negotiating With Difficult People. New York: Bantam Books
- Thompson, L. (2015). The Mind and Heart of the Negotiator. Pearson Education Limited.
- Cohen, S. (2002). Negotiating Skills for Managers. McGraw-Hill.
- Becker, G. (1976). The Economic Approach to Human Behavior. Chicago: University of Chicago
- Brafman, O. & Brafman, R. (2008). Sway: The Irresistible Pull of Irrational Behavior
- Tavris, C. and Aronson, E. (2007). Mistakes Were Made (but not by me): Why We Justify Foolish Beliefs, Bad Decisions, and Hurtful Acts. Harcourt Books
- Gladwell, M. (2009). "Cocksure: Banks, Battles, and the Psychology of Overconfidence." The New Yorker
- Thaler, R.H. & Sunstein, C.R. (2008). Nudge: Improving Decisions about Health, Wealth, and Happiness.
- Hardman, D. (2009) Judgment and decision making: psychological perspectives. BPS Blackwell.
- Bazerman, M. & Moore, D. A. (2013) Judgment in Managerial Decision Making. 8th Edition; Wiley. The 6th and 7th Editions are also useful.

### **Teaching Plan**

**Week 1:** Standard Economic Models of Decision Making and Experiments, Prospect Theory, Heuristics and Biases, Fairness and Cooperation, Want/Should Conflict

**Week 2:** Mental Accounting and Goal Setting, Cognitive Dissonance, Confirmation Bias and Escalation of Commitment,

**Week 3:** Bounded Awareness, Overconfidence and Bounded Ethicality, Libertarian Paternalism and Choice Architecture

**Week 4:** Group and team decision making, group process, decision rules, Specific group biases

**Week 5:** Electronic group decision making, Delphi technique, Structured decision aiding, limitations of System 1 thinking

**Week 6:** Risk perception and communication within organisations and with the wider public

**Week 7:** Decision-analytic approach to bargaining and negotiation, heuristics and biases

**Week 8:** Negotiation vs. other social interactions, Aspects of negotiation research and practice, Aspects of negotiation, Preparation for negotiation

**Week 9:** Goal-setting, BATNA (best alternative to a negotiated agreement) and ZOPA (zone of possible agreement)

**Week 10:** Phases of actual negotiations, Rational and emotional elements of trust, cultural and psychological differences of trusting people

**Week 11:** Negotiation scenarios (win-win, win-lose, lose-win, lose-lose), Thomas-Kilmann Conflict Mode Instrument in negotiations, Leigh Thompson's 5 negotiation mental models, Negotiation styles

**Week 12:** Persuasion techniques, Instruments of negotiations, Positional bargaining Post-negotiation assessment and evaluation

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understand the concept of decision making including its various standard economic models | Lectures/Class Discussion/Case Study | Test/Presentation |
| 2.       | Understand the concept and process of group and team decision making                     | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Discuss various risk perceptions and communication within organisations                  | Lectures/Class Discussion/Case study | Test/Presentation |
| 4.       | Understand various aspects of negotiation research and practice                          | Lectures/Class Discussion/Case study | Test/Presentation |
| 5.       | Discuss various negotiation stages and strategies  | Lectures/Class Discussion/Case study | Test/Presentation |

## **310 : CORPORATE GOVERNANCE AND BUSINESS ETHICS**

### **Course Objectives:**

To equip students with knowledge of corporate conscience on the memory lane of recent corporate failures and inculcate behaviour to govern the organization with sincerity and responsibility.

### **Course Learning Outcomes:**

CLO1: Understand the things directors need to know to provide good governance.

CLO2: Learn to appreciate the value both shareholder and other stakeholders' rights and responsibilities

CLO3: Understand the importance of board committees, their composition and responsibilities.

CLO4: Ability to implement best practices on corporate governance.

### **Content**

**Unit I:** Business ethics and corporate governance, Evolution of corporate governance, regulatory framework of corporate governance in India, SEBI guidelines and clause 49, reforms in the Companies Act; secretarial audit; class action, NCLT, insider trading, rating agencies, Corporate Governance Rating, green governance/e-governance, shareholders activism, corporate governance in PSUs and banks, legislative framework of corporate governance -an international perspective (United Kingdom, USA, Australia, China, Russia, South Africa), Global Corporate Governance Practices (Anglo-American Model, German Model, Japanese Model)

**Unit II:** Management vs. Governance, internal constituents of the corporate governance, key managerial personnel (KMP), chairman- qualities of a chairman, powers, responsibilities and duties of chairman, role and responsibilities of the CEO, separation of roles of chairman and CEO

**Unit III:** Standing committees, ad-hoc committees, task force committees, advisory committees; powers, functions and duties of board committees; enhanced performance of board committees, limitations of board committees, statutory committees of board- audit committee, remuneration committee, nomination committee, compliance committee, shareholders grievance committee, investor relation committee, investment committee, risk management committee

**Unit IV:** Bank of credit and commerce international (UK), Maxwell communication corporation and Mirror group newspapers (UK), Enron (USA), World.com (USA), Andersen worldwide (USA), Vivendi (France), News of the world (UK);Junk Bond Scam (USA), Tyco

(USA), Kirch Media (Germany), Parmalat (Italy) and Satyam Computer Services Ltd (India), Sahara (India); Kingfisher ltd (India), similar reasons behind the governance failure

**Unit V:** Concept of Whistle-Blowing, Types; Whistle-blower Policy; the Whistle-Blower Legislation across Countries; developments in India, Codes & Standards on Corporate Governance Greenbery Committee (UK), 1995, Calpers Global Corporate Governance Principles (USA), 1996, Hampel Committee on Corporate Governance (UK), 1997, Combined Code of Best Practices (London Stock Exchange), 1998, Blue Ribbon Committee (USA), 1999, OECD Principles of Corporate Governance, 1999, CACG Guidelines/Principles for Corporate Governance in Commonwealth, 1999, Euro shareholders Corporate Governance Guidelines, 2000, Principles of Good Governance and Code of Best Practice (UK), 2000, Sarbanes-Oxley (SOX) Act, 2002 (USA), Smith Report, 2003 (UK)

**Unit VI:** Meaning of corporate philanthropy, CSR-an overlapping concept, corporate sustainability reporting, CSR through triple bottom line, CSR and business ethics, CSR and corporate governance, environmental aspect of CSR, CSR models; drivers of CSR, global reporting initiatives

### **Suggested Readings:**

- Mallin, C. A, Corporate Governance (Indian Edition), Oxford University Press, New Delhi, Latest Edition
- Hopkins, M, Corporate social responsibility and international development: Is business the solution?, Earthscan, Latest Edition
- Blowfield, M, & Murray, A., Corporate Responsibility, Oxford University Press. Latest Edition
- Tricker, B, Corporate Governance, Oxford University Press, Latest Edition
- CFA Institute Centre for Financial Market Integrity, The Corporate Governance of Listed Companies: A Manual for Investors
- Gandhi, M. K., Hind Swaraj or Indian Home Rule, Madras: Ganesh & Co. Latest Edition

### **Teaching Plan**

**Week 1:** Business ethics and corporate governance, Evolution of corporate governance, regulatory framework of corporate governance in India, SEBI guidelines and clause 49

**Week 2:** Reforms in the Companies Act; secretarial audit; class action, NCLT, insider trading, rating agencies, Corporate Governance Rating, green governance/e-governance, shareholders activism, corporate governance in PSUs and banks

**Week 3:** Legislative framework of corporate governance -an international perspective (United Kingdom, USA, Australia, China, Russia, South Africa), Global Corporate Governance Practices (Anglo-American Model, German Model, Japanese Model)

**Week 4:** Management vs. Governance, internal constituents of the corporate governance, key managerial personnel (KMP), chairman- qualities of a chairman, powers, responsibilities and duties of chairman, role and responsibilities of the CEO, separation of roles of chairman and CEO

**Week 5:** Standing committees, ad-hoc committees, task force committees, advisory committees; powers, functions and duties of board committees; enhanced performance of board committees

**Week 6:** Limitations of board committees, statutory committees of board- audit committee, remuneration committee, nomination committee, compliance committee, shareholders grievance committee, investor relation committee, investment committee, risk management committee

**Week 7:** Bank of credit and commerce international (UK), Maxwell communication corporation and Mirror group newspapers (UK), Enron (USA), World.com (USA), Andersen worldwide (USA), Vivendi (France), News of the world (UK);Junk Bond Scam (USA), Tyco (USA), Kirch Media (Germany), Parmalat (Italy) and Satyam Computer Services Ltd (India), Sahara (India); Kingfisher ltd (India)

**Week 8:** Concept of Whistle-Blowing, Types; Whistle-blower Policy; the Whistle-Blower Legislation across Countries; developments in India

**Week 9:** Codes & Standards on Corporate Governance Greenbery Committee (UK), 1995, Calpers Global Corporate Governance Principles (USA), 1996, Hampel Committee on Corporate Governance (UK), 1997, Combined Code of Best Practices (London Stock Exchange), 1998, Blue Ribbon Committee (USA), 1999, OECD Principles of Corporate Governance, 1999

**Week 10:** CACG Guidelines/Principles for Corporate Governance in Commonwealth, 1999, Euro shareholders Corporate Governance Guidelines, 2000, Principles of Good Governance and Code of Best Practice (UK), 2000, Sarbanes-Oxley (SOX) Act, 2002 (USA), Smith Report, 2003 (UK)

**Week 11:** Meaning of corporate philanthropy, CSR-an overlapping concept, corporate sustainability reporting, CSR through triple bottom line, CSR and business ethics,

**Week 12:** CSR and corporate governance, environmental aspect of CSR, CSR models; drivers of CSR, global reporting initiatives

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                    | Teaching and Learning Activity       | Assessment Tasks  |
|----------|---|--------------------------------------|-------------------|
| 1.       | Understand the conceptual framework of corporate governance | Lectures/Class Discussion/Case Study | Test/Presentation |
| 2.       | Understand various constituents of corporate governance     | Lectures/Class Discussion/Case study | Test/Presentation |

|    |   |   |                   |
|----|---|---|-------------------|
| 3. | Discuss various Role and Functions of Board Committees                                  | Lectures/Class<br>Discussion/Case study | Test/Presentation |
| 4. | Discuss Major Corporate Failures  | Lectures/Class<br>Discussion/Case study | Test/Presentation |
| 5. | Discuss Codes and Standards on Corporate Governance and Corporate Social Responsibility | Lectures/Class<br>Discussion/Case study | Test/Presentation |

**401: FINANCIAL ECONOMETRICS AND EQUITY RESEARCH**

**Course Objectives:**

To provide the students knowledge of time-series econometric tools for application in the fields of investment management and corporate finance. The paper inter alia provides them with necessary knowledge and skills for advanced equity analysis for valuing different types of companies and preparing equity research reports.

**Course Learning Outcomes:**

CLO1: To provide students with comprehensive understanding of various time series econometric tools

CLO2: To enable students apply econometric tools for problem solving in investment management and corporate finance

CLO3: To discuss the nuance of preparing equity research reports in terms of top down approach encompassing economy, industry and company

CLO4: To apprise students about various valuation frameworks required for evaluating different types of companies

**Course Outline:**

**Unit I:** Concept and test of stationarity; Co-integration and vector error correction models, causality tests, applications in investment management and corporate finance.

**Unit II:** Moving average and exponential smoothing methods, ARIMA models; Structural equation models, VAR model and its variants, applications in investment management and corporate finance.

**Unit III:** ARCH - GARCH models and their extensions, multi-variate GARCH models; DCC and ADCC models, copulas models, Markov switching and state space models; long memory models, applications in investment management and corporate finance.

**Unit IV:** Free cash flow or Entity DCF model, economic profit method of EVM approach, adjusted present value method, capital cash flow model; Company characteristics and stock valuation; Advanced technical analysis – psychological and aggregate market indicators, trading systems; Contingent claims approach; Writing model equity research reports.

**Unit V:** Valuation of manufacturing and financial companies, multi business firms, mergers and acquisitions, distressed firms, asset and liability side real options, start up firms and initial public offerings.

**Suggested Readings:**

- Wang, P., *Financial Econometrics (Methods and Models)*, Routledge, Latest Edition
- Ruey S. Tsay , *Analysis of Financial Time Series*, Wiley, 3<sup>rd</sup> Edition, 2010
- Campbell, J.Y., Lo, A. and Mackinlay A.C., *The Econometrics of Financial Markets*, Princeton, Latest Edition.
- Koller, T., Goedhart, M. and Wessels. D, *Valuation: Measuring and Managing the Value of Companies*, Mckinsey& Company, 5<sup>th</sup> Edition, 2010
- Damadaran, A., *Investment Valuation*, John Wiley & Sons, Latest Edition.
- Damodaran, A. *Dark Side of Valuation*, Prentice Hall, Latest Edition

**Teaching Plan**

**Week 1:** Concept and test of stationarity; Co-integration and vector error correction models

**Week 2:** Causality tests, applications in investment management and corporate finance

**Week 3:** Moving average and exponential smoothing methods, ARIMA models; Structure equation models

**Week 4:** VAR model and its variants, applications in investment management and corporate finance

**Week 5:** ARCH - GARCH models and their extensions, multi-variate GARCH models; DCC and ADCC models, copulas models

**Week 6:** Copulas models, Markov switching and state space models; long memory models, applications in investment management and corporate finance

**Week 7:** Free cash flow or Entity DCF model, economic profit method of EVM approach

**Week 8:** Adjusted present value method, capital cash flow model; Company characteristics and stock valuation

**Week 9:** Advanced technical analysis – psychological and aggregate market indicators, trading systems; Writing model equity research reports

**Week 10:** Valuation of manufacturing and financial companies, multi business firms,

**Week 11:** Mergers and acquisitions, distressed firms, asset and liability side real options

**Week 12:** Start up firms and initial public offerings

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                   | Teaching and Learning Activity                      | Assessment Tasks  |
|----------|--|---|-------------------|
| 1.       | Understand the Time series analysis                        | Project Presentation/Case Analysis/Quiz/Simulation  | Test/Presentation |
| 2.       | Understand Univariate and Multi-variate Time Series Models | Project Presentation/Case Analysis/Quiz/ Simulation | Test/Presentation |
| 3.       | Discuss Volatility Models and Dynamic Estimation           | Project Presentation/Case Analysis/Quiz             | Test/Presentation |
| 4.       | Understand Equity Valuation Framework                      | Project Presentation/Case Analysis/Quiz             | Test/Presentation |
| 5.       | Understand Applications of Valuation Framework             | Project Presentation/Case Analysis/Quiz             | Test/Presentation |

## **402: PROJECT PLANNING, APPRAISAL AND FINANCING**

### **Course Objectives:**

The objective of the course is to enable the students with various aspects involved in Project Management.

### **Course Learning Outcomes:**

**CLO:** A student will learn the identification of a project, its detailed formulation, its analysis and appraisal on various parameters which will help him/her to prepare a feasibility report for a project.

### **Contents:**

**Unit I:** Project Identification, Planning and Selection; Project Life-Cycle; Assessment and Appraisal of Promoters and Management

**Unit II:** Market Analysis; Demand Forecasting

**Unit III:** Technical Analysis; Infrastructural facilities and inputs of production

**Unit IV:** Financial Analysis; Sources of Project Finance; Projected financial statements; Project Appraisal by Financial Institutions

**Unit V:** Risk Management in Project Finance; Time and Cost Overruns; Post completion performance evaluation

**Unit VI:** Environmental Impact Assessment; Issues in Infrastructure financing

### **Suggested Readings:**

- Gupta, Ambrish., *Project Appraisal and Financing*, New Delhi: PHI learning Pvt Ltd, Latest Edition.
  - Chandra, P., *Projects: Preparation, Appraisal, Budgeting and Implementation*, New Delhi: Tata McGraw Hill, Latest Edition.
  - Stefano Gatti, *Project Finance in Theory and Practice*, Academic Press (an Imprint of Elsevier), Latest Edition.
  - E.R. Yescombe, *Principles of Project Finance*, Academic Press (an Imprint of Elsevier), Latest Edition.
  - Gray, C., *Essentials of Project Management*, PBI, Latest Edition.
  - Gopalakrishnan, P., and Moorthy, V.E.R., *Textbook of Project Management*. New Delhi: Macmillan, Latest Edition.
  - Kerzner, Harold., *Project Management Case Studies*, John Wiley and Sons, USA, Latest Edition.
  - Machiraju, *Project Finance*, Vikas, New Delhi, Latest Edition
- (The list of cases and specific references including recent articles will be announced in the class.)

**Teaching Plan:**

**Week 1:** Project Identification, Planning and Selection

**Week 2:** Project Life-Cycle

**Week 3:** Assessment and Appraisal of Promoters and Management

**Week 4:** Market Analysis;

**Week 5:** Demand Forecasting

**Week 6:** Financial Analysis

**Week 7:** Sources of Project Finance;

**Week 8:** Mid-Term Test; Projected financial statements

**Week 9:** Risk Management in Project Finance

**Week 10:** Time and Cost Overruns; Post completion performance evaluation

**Week 11:** Environmental Impact Assessment

**Week 12:** Issues in Infrastructure financing

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity                                   | Assessment Tasks                               |
|----------|---|--|--|
| 1.       | Understand what a project is. Learn how to generate ideas for identification of a project. Understand the purpose of appraisal of promoters and management by lending institutions. | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 2.       | Understand the purpose and steps involved in market analysis and learn the various techniques of demand forecasting.  | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 3.       | Understand the purpose of assessment and appraisal of technology.   | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 4.       | Understand the purpose and steps involved in financial  | Lectures/ case study/Knowledge;                                  | Mid-term Exam/ Group Presentations/ Final      |

|    |   |  |  |
|----|---|--|--|
|    | analysis; develop knowledge about various means of finance, make projected financial statements; learn how a project is appraised by a financial institution. | Oral Communication and team work                                 | Exam   |
| 5. | Learn the nature of risk in project appraisal and financing; understand the causes of time and cost overruns; learn to evaluate project on its completion.    | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |
| 6. | Learn the conceptual framework of Environmental Impact Analysis; understand the nuances of infrastructure financing.  | Lectures/ case study/Knowledge; Oral Communication and team work | Mid-term Exam/ Group Presentations/ Final Exam |

**403: STRATEGIC FINANCIAL MANAGEMENT**

**Course Objectives:**

The purpose of this course is to provide participants with an insight into advanced techniques of financial management required for managerial decision-making situations in organizational structure. The course focusses on the strategic aspects of financial management and enable participants understand various financial problems of business enterprises in domestic as well as global context.

**Course Learning Outcomes:**

CLO1: To develop an advanced understanding of principal techniques in capital budgeting and risk analysis

CLO2: To introduce students to special financial decision-making situations and evaluate consequences of strategic decisions

CLO3: To develop a critical understanding of linkages between corporate financial management and strategic business decision-making

CLO4: To apprise students of various nuances of assessing the firm value and make strategic decisions

**Contents:**

**Unit I:** Risk analysis in capital budgeting, Types of risk and project appraisal, Certainty equivalent and risk adjusted discount rate approaches, Sensitivity analysis, Scenario analysis, Real options and analysis, Inflation and project evaluation

**Unit II:** Strategic valuation, Equity vs. Enterprise Valuation, Comparable Company Analysis, Trading and Precedent Transaction Comps, Cash flow based Valuation, Residual income Valuation, Sum of the parts valuation, Case example

**Unit III:** M&A process and structure, Types of mergers, Drivers of M&A, Merger payoffs, M&A and share price behaviour, Corporate acquisitions, Corporate divestitures, Equity carve outs, Spin offs and leverage buy outs, Financial restructuring, Corporate Turnarounds, Valuation issues in M&A

**Unit IV:** Firms in Financial Distress, Tools for predicting financial distress, Liquidation process, Key managerial personnel (KMP), Determining employee compensation, Role of ESOPs, Corporate compensation and business performance

**Unit V:** Concept of ERM, Principal terms in Enterprise Risk Management (ERM), Measurement of risk, Framework for risk management and control within a company, Risk frameworks in regulatory environments, Role of regulators in ERM, Basel Accord and Solvency II frameworks, Role of credit agencies in the evaluation of risk management functions

**Teaching Plan:**

**Week 1:** Risk analysis in capital budgeting, Types of risk and project appraisal

**Week 2:** Certainty equivalent and risk adjusted discount rate approaches, Sensitivity analysis, Scenario analysis

**Week 3:** Real options and analysis, Inflation and project evaluation

**Week 4:** Strategic valuation, Equity vs. Enterprise Valuation, Comparable Company Analysis, Trading and Precedent Transaction Comps

**Week 5:** Cash flow based Valuation, Residual income Valuation, Sum of the parts valuation

**Week 6:** M&A process and structure, Types of mergers, Drivers of M&A, Merger payoffs, M&A and share price behaviour

**Week 7:** Corporate acquisitions, Corporate divestitures, Equity carve outs, Spin offs and leverage buy outs, Financial restructuring, Valuation issues in M&A

**Week 8:** Firms in Financial Distress, Tools for predicting financial distress, Liquidation process

**Week 9:** Key managerial personnel (KMP), Determining employee compensation, Role of ESOPs

**Week 10:** Corporate compensation and business performance

**Week 11:** Concept of ERM, Principal terms in Enterprise Risk Management (ERM), Downside and upside risks, Measurement of risk, Framework for risk management and control within a company, Risk frameworks in regulatory environments

**Week 12:** Role of regulators in ERM, Basel Accord and Solvency II frameworks, Role of credit agencies in the evaluation of risk management functions

**Suggested Readings:**

- Ahuja N.L., Dawar V. and Arrawatia R., *Corporate Finance*, PHI, Latest Edition
- Ehrhardt, M.C. and Brigham, E.F., *Corporate Finance: A Focused Approach*, Cengage Learning, Latest Edition
- Hiller, D. Grinblatt, M. and Titman, S , *Financial Markets and Corporate Strategy*, McGraw- Hill, 2<sup>nd</sup> Edition, 2011
- Damodaran, A, *Applied Corporate Finance*, Wiley, latest Edition
- Pettit, J., *Strategic Corporate Finance*: Wiley Finance, Latest Edition.
- Khan, M.Y. and Jain P.K., *Financial Management*, Tata McGraw-Hill, Latest Edition..
- Weston, J.F., Chung, K.S. and Hoag, S.E., *Mergers, Restructuring and Corporate Control*, Prentice-Hall, Latest Edition.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understanding the advanced issues in capital budgeting                                     | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Understand Strategic Valuation issues  | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understanding the process and drivers of mergers, acquisitions and corporate restructuring | Lectures/Class Discussion            | Test/Presentation |
| 4.       | Understanding corporate compensation and business performance                              | Lectures/Class Discussion            | Test/Presentation |
| 5.       | Understanding the ERM concept and framework  | Lectures/Class Discussion            | Test/Presentation |

**404: RESEARCH PROJECT**

**Course Objectives:**

This course introduces various aspects of business research and demonstrates the fundamental role and importance it plays in making of appropriate business decisions. It provides an understanding of the building blocks of research design, outlines techniques for data collection and analysis and gives students the chance to collect and analyse data for themselves.

**Course Learning Outcomes:**

CLO1: Understand the various aspects of research methods.

CLO2: Ability to collect the data from primary and secondary source.

CLO3: Application of various tools to conduct research.

CLO4: Ability to prepare a research report.

**Contents**

**Unit I:** Scope of business research, meaning of theory, concept, scientific methods, types of researches- exploratory, descriptive, causal, ethical issues in research. Nature of business problems, defining business problems, Research design. Survey research: nature and errors, communication with respondents, personal interviews, telephone interviews, self-administered questions, observation methods, experimental research. Sources of obtaining secondary data for research.

**Unit II:** Types of scales-nominal, ordinal, interval, ratio; criteria for good measurement-reliability and validity; attitude measurement-concept, techniques; questionnaire design-what to ask, framing questions, way to ask questions. Introduction, Review of literature, Research methods, Discussion, Implications, Lessons and limitations, referencing.

**Rest of the course contains preparing dissertation under supervision a faculty.**

**Suggested Readings:**

- Bryman, A and E Bell (2011), Business Research Methods, (3nd edition), Oxford University Press.
- William G. Zikmund, Business Research Methods , Thomson
- Cooper, Donald R., and Schindler, Pamela S. Business Research Methods: Tata McGraw Hill
- Bryman, A and E Bell (2011), Business Research Methods, (3nd edition), Oxford University Press.
- Saunders, M., Lewis, P. and A. Thornhill, (2007), Research Methods for Business Students, 5th Edition, Harlow, Prentice Hall.

(The list of cases and specific references including recent articles will be announced in the class.)

**Teaching Plan:**

**Week 1:** Scope of business research, meaning of theory, concept, scientific methods, types of researches- exploratory, descriptive, causal, ethical issues in research, Nature of business problems, defining business problems, Research design.

**Week 2:** Survey research: nature and errors, communication with respondents, personal interviews, telephone interviews, self-administered questions, observation methods, experimental research

**Week 3:** Sources of obtaining secondary data for research, Types of scales-nominal, ordinal, interval, ratio; criteria for good measurement-reliability and validity

**Week 4:** attitude measurement-concept, techniques, questionnaire design-what to ask, framing questions, way to ask questions.

**Week 5:** Introduction, Review of literature, Research methods, Discussion, Implications, Lessons and limitations, referencing.

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                              | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---|--|-------------------|
| 1.       | Introduction to Research Methods and collecting data  | Lectures/Class discussion              | Test/Presentation |
| 2.       | Measurement concepts and writing up Research Proposal | Lectures/Case studies/Class discussion | Test/Presentation |

## **405: FINANCIAL TECHNOLOGY INNOVATION PROJECT**

### **Course Objectives:**

This course aims to equip the students with the fundamental concepts of Financial Technologies. Upon the completion of the course, the students should be able to appreciate and utilize the knowledge for launching their own FinTech start up.

### **Course Learning Outcomes:**

CLO1: Understand FinTech and its current and future impact on global finance and banking.

CLO2: Understand the main pillars of FinTech and the latest developments in each pillar and their impact on the financial services industry.

CLO3: Understand the opportunities that FinTech may bring in the financial services industry.

CLO4: Acquire practical industry, investor, financial and entrepreneurial knowledge and skills enabling students to potentially identify a need in the financial services industry and launch their own FinTech start-up.

### **Contents**

**Unit I:** Fintech Industry – History & Emerging Trends, Major areas in FinTech, Regulatory framework, Ethical and professional standard, Cybersecurity : Overview & Recent developments, Legal and tax compliance , Privacy, anonymity & cryptography, Access control, Network security, Forensics, Impact of Fintech on regulations

**Unit II:** Blockchain- Overview & its Application, Cryptography, Cryptocurrency (Bitcoin, Ethereum, Other Altcoins), Potential & Usage of Cryptocurrency, Decentralised applications, Smart contracts, Applications and case studies, Cryptographic Hash Functions, Internet of Things.

**Unit III:** FT APPLICATIONS IN BANKING & MARKETPLACE LENDING (Overview of Banking Sector; Recent Developments, Professionalism, regulation and ethics in banking, Bank in a Box, Application programming Interface (API), Peer to peer lending trends), FT APPLICATION IN INSURANCE (Anatomy of Insurance: Life & General insurance, Stakeholders and Networks , Pain points & Opportunities in Insurtech , Robo Advisory , Peer to peer portfolio comparison, Application & Case Studies), FT APPLICATION IN CAPITAL MARKETS & WEALTH ADVISORY (Overview of Trading systems , Pain points & Opportunities in Capital Markets, Surveillance mechanism, Investment advisory, Robo advisory, Asset management , Applications & Solutions), FT APPLICATION IN PAYMENT GATEWAYS & FINANCIAL INCLUSION (Payments: Overview & Recent development, Remittances: Overview & Recent Developments, Pain points & Opportunities, Mobile Payments, New Payment Alternatives, Application for Financial Inclusion)

**Unit IV:** STARTUP ECOSYSTEM & ENTREPRENEURIAL FINANCE- Overview of Startup Landscape, Essentials of Entrepreneurship , Opportunity Identification & Recognition, Strategy & Business Models, New venture Creation, Emerging sources of Entrepreneurial Finance: Crowdfunding, P2P Lending platforms; FINTECH INNOVATIONS & START UPS- Emergence of Fintech Startups, Fintech Disruptions , Future Prospects, Application & Case Studies

**Unit V:** DEVELOPING BUSINESS PROPOSAL, Essentials of Business Plan, Writing and Drafting, Examples and Case Studies

### **Suggested Readings**

- The Science of the Blockchain Paperback – January 27, 2016 by Roger Wattenhofer
- The Book Of Satoshi: The Collected Writings of Bitcoin Creator Satoshi Nakamoto Paperback – June 5, 2014
- Bitcoin and Cryptocurrency Technologies: A Comprehensive Introduction
- by Arvind Narayanan, Joseph Bonneau, Edward Felten, Andrew Miller, Steven Goldfeder, Princeton University Press.
- Ethereum: Blockchains, Digital Assets, Smart Contracts, Decentralized Autonomous Organizations by Henning Diedrich, CreateSpace Independent Publishing Platform.
- Blockchain Applications: A Hands-on Approach. By Arshdeep Bahga and Vijay Madisetti, Vpt.
- An Introduction to Statistical Learning: with Applications in R (Springer Texts in Statistics)
- by Gareth James , Daniela Witten , Trevor Hastie , Robert Tibshirani, Springer.
- The INSURTECH Book: The Insurance Technology Handbook for Investors, Entrepreneurs and Change-Makers Paperback – April 30, 2018 by Sabine L.B Vander Linden (Author),,(Author)Millie .ShÃ¢en M ,(Author)Nicole Anderson more 1 &
- Blockchain: Emerging Use Cases for Insurance by IBM Global Business Services
- Four Killer Blockchain Use Cases for Insurance By Tom Johansmeyer January 30, 2017
- Blockchain accelerates insurance transformation by KPMG International 2017
- Blockchain: A Potential Game-Changer for Life by Cognizant Insurance
- Tidd, J., and Bessant, J., 2013. Managing Innovation: Integrating Technological, Market and Organisational Change, Wiley, 5th edition.
- Dodgson, M., Gann, D. and Phillips, N. (2014) The Oxford Handbook of Innovation Management, Oxford University Press.
- Schilling, M.A. 2017. Strategic Management of Technological Innovation, 5th edition. Boston: McGraw Hill.
- MacKenzie, D. and Wajcman, J. eds., (1999) The Social Shaping of Technology, 2nd ed., Milton Keynes: Open University Press.
- Mokyr, Joel (1990) The lever of riches: technological creativity and economic progress Oxford University Press.
- Volti, R. (2001) Society and Technological Change, 4th edition, Worth, New York (good introductory text)
- Lumby, S. (1991), Investment Appraisal and Financing Decisions, Chapman & Hall (1st to 5th edition)
- Lumby, S. & Jones, C (1999) Investment Appraisal and Financing Decisions, Chapman & Hall (6th edition)

- Lumby, S. & Jones, C (2003) Corporate Finance: Theory and Practice, Chapman & Hall (7th edition)
- Lumby, S. & Jones, C., (2011) Corporate Finance: Theory and Practice, Cengage Learning EMEA; 8th Revised edition (30 Mar 2011)

(The list of cases and specific references including recent articles will be announced in the class.)

**Teaching Plan:**

**Week 1:** Fintech Industry – History & Emerging Trends, Major areas in FinTech, Regulatory framework, Ethical and professional standard

**Week 2:** Cybersecurity: Overview & Recent developments, Legal and tax compliance , Privacy, anonymity & cryptography, Access control, Network security, Forensics, Impact of Fintech on regulations

**Week 3:** Blockchain- Overview & its Application, Cryptography, Cryptocurrency (Bitcoin, Ethereum, Other Altcoins), Potential & Usage of Cryptocurrency

**Week 4:** Decentralised applications, Smart contracts, Applications and case studies, Cryptographic Hash Functions, Internet of Things

**Week 5:** FT APPLICATIONS IN BANKING & MARKETPLACE LENDING (Overview of Banking Sector; Recent Developments, Professionalism, regulation and ethics in banking ,Bank in a Box, Application programming Interface (API), Peer to peer lending trends)

**Week 6:** FT APPLICATION IN INSURANCE (Anatomy of Insurance : Life & General insurance, Stakeholders and Networks , Pain points & Opportunities in Insurtech, Robo Advisory, Peer to peer portfolio comparison, Application & Case Studies)

**Week 7:** FT APPLICATION IN CAPTIAL MARKETS & WEALTH ADVISORY (Overview of Trading systems, Pain points & Opportunities in Capital Markets, Surveliance mechanism, Investment advisory, Robo advisory, Asset management, Applications & Solutions)

**Week 8:** FT APPLICATION IN PAYMENT GATEWAYS & FINANCIAL INCLUSION (Payments: Overview & Recent development, Remittances : Overview & Recent Developments, Pain points & Opportunities, Mobile Payments, New Payment Alternatives, Application for Financial Inclusion)

**Week 9:** STARTUP ECOSYSTEM & ENTREPRENURIAL FINANCE- Overview of Startup Landscape, Essentials of Entrepreneurship, Opportunity Identification & Recognition, Strategy & Business Models, New venture Creation

**Week 10:** Emerging sources of Entrepreneurial Finance: Crowdfunding, P2P Lending platforms

**Week 11:** FINTECH INNOVATIONS & START UPS- Emergence of FintechStartups, Fintech Disruptions, Future Prospects , Application & Case Studies

**Week 12: DEVELOPING BUSINESS PROPOSAL**, Essentials of Business Plan, Writing and Drafting, Examples and Case Studies

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                      | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---|--|-------------------|
| 1.       | Introduction to Fintech                                       | Lectures/Class discussion              | Test/Presentation |
| 2.       | Emerging financial technologies                               | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Applications of Fintech                                       | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Entrepreneurship in Fintech                                   | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Lab based Learning resulting in business proposal development | Lectures/Case studies/Class discussion | Test/Presentation |

**406: BUSINESS ANALYTICS AND FINANCIAL MODELING**

**Course Objectives:**

This course aims to equip the students with the fundamental concepts of Business Analytics (BA). Upon the completion of the course, the students should be able to evaluate business problems and determine suitable analytical methods, compare different analytics techniques, analyse and validate the results and gain meaning out of large data. This course also introduces the basic financial modelling.

**Course Learning Outcomes:**

CLO1: Understand the fundamental concepts of Business Analytics (BA).

CLO2: Understand the business problems.

CLO3: Use the statistical tools to solve business problems.

CLO4: Understand the R program, Hadoop for analyzing data.

CLO5: Application of business analytics in the field of finance and other areas

CLO6: Undertake big data analysis problems

**Contents**

**Unit I:** Definition and Evolution of Analytics; Various Applications of Analytics; Essence and Relevance to the industry; Scope and Future of Analytics. Understanding data and its types; Organization/sources of data; Importance of data quality; Dealing with missing or incomplete data; Data Classification.

**Unit II:** Introduction to R; Data Input Output operation; Useful packages; data visualization; data management. Introduction to Excel sheet modelling, VBA and Hadoop. Exploratory data analysis: Principal component analysis, Factor analysis; Discriminant analysis, Clustering analysis.

**Unit III:** Application of analytics tools in areas such as financing mix, capital budgeting, portfolio optimization, Discounted cash flows (DCF), Sharpe ratio, Value at risk (VaR), Brownian motion process, Pricing options and Black–Scholes formula.

**Unit IV:** Application of analytics tools in marketing, retail sector, health care, financial services, industry analysis, banking, supply chain.

**Unit V:** Introduction to Big Data: Source, Adoption & Characteristics, Big Data Platforms: Key Aspects & Governance; Big Data Application: Use Cases, Technical Details of Big Data Components- Text Analytics and Streams & Cloud and Big Data.

### **Suggested Readings**

- William P. Fox, *Mathematical Modeling for Business Analytics*, 1<sup>st</sup> Edition, Chapman and Hall/CRC, 2017.
- Tom White "Hadoop: The Definitive Guide" Third Edition, O'reily Media, 2012.
- Artificial Intelligence: A Modern Approach - Stuart Russell and Peter Norvig
- Data Mining: Practical Machine Learning Tools and Techniques- Ian H. Witten and Eibe Frank
- "Financial Modeling" by Simon Benninga, MIT Press, 3rd edition, 2008
- Seema Acharya, SubhasiniChellappan, "Big Data Analytics" Wiley 2015.
- U Dinesh Kumar, *Business Analytics – The Science of Data Driven Decision Making*, Wiley 2017.
- James R. Evans, *Business Analytics – Methods, Models and Decisions*, 2<sup>nd</sup> Edition, Prentice Hall, 2013
- S. Christian Albright and Wayne L. Winston, *Business Analytics: Data Analysis & Decision Making*, 5th Edition, Cengage Learning, 2015
- Joseph F. Hair, Jr, William C. Black, Barry J. Babin and Rolph E. Anderson, *Multivariate Data Analysis*, 7th Edition, Pearson Education India, 2014.
- Johannes Ledolter, *Data Mining and Business Analytics with R*, John Wiley & Sons, 2013
- Powell S. G. and Baker K. R. *Management Science: The Art of Modelling with Spreadsheets*, John Wiley & Sons, 3<sup>rd</sup> Edition, 2010

(The list of cases and specific references including recent articles will be announced in the class.)

### **Teaching Plan:**

**Week 1:** Definition and Evolution of Analytics; Various Applications of Analytics; Essence and Relevance to the industry; Scope and Future of Analytics. Understanding data and its types

**Week 2:** Organization/sources of data; Importance of data quality; Dealing with missing or incomplete data

**Week 3:** Introduction to the R Workspace; Data Input Output operation; Useful packages; data visualization; data management

**Week 4:** Introduction to Excel sheet modelling, VBA and Hadoop.

**Week 5:** Data Classification. Exploratory data analysis: Principal component analysis, Factor analysis

**Week 6:** Discriminant analysis, Clustering analysis

**Week 7:** Application of analytics tools in areas such as financing mix, capital budgeting, portfolio optimization, Discounted cash flows (DCF), Sharpe ratio

**Week 8:** Application of analytics tools in Value at risk (VAR), Brownian motion process, Pricing options and Black–Scholes formula

**Week 9:** Application of analytics tools in marketing, retail sector, health care

**Week 10:** Application of analytics tools in financial services, industry analysis, banking, supply chain.

**Week 11:** Introduction to Big Data: Source, Adoption & Characteristics, Big Data Platforms: Key Aspects & Governance

**Week 12:** Big Data Application: Use Cases, Technical Details of Big Data Components- Text Analytics and Streams & Cloud and Big Data.

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes              | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---------------------------------------|--|-------------------|
| 1.       | Introduction to Data Management       | Lectures/Class discussion              | Test/Presentation |
| 2.       | Data Analysis using Software Packages | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Applications in Finance               | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Applications in Other Areas           | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Learn big data analysis               | Lectures/Case studies/Class discussion | Test/Presentation |

**407: BUSINESS STRATEGY**

**Course Objectives:**

The course provides students with a practical understanding of business strategy concepts and models for decision making in organizations. The course acquaints students with an integrative functional framework required for business strategy formulation to achieve organization success.

**Course Learning Outcomes:**

CLO1: Understand the fundamental concepts of corporate strategy.

CLO2: Ability to develop models for solving business problems.

CLO3: knowledge of how to frame business strategy for national and international businesses.

CLO4: Ability to deal with ethical and cultural issues.

**Contents**

**Unit I:** Strategy: concept, role and basic framework; Strategic planning, process of strategy and decision making, business and corporate strategies, development of strategic ideas, Overview of Strategic Management, Traditional approaches of Strategy, Levels of Strategy, Scope and importance of Strategic management, Framework of Strategic Analysis

**Unit II:** Business Environment, External analysis, Competitive dynamics, Dynamic Competition: Hypercompetition, Game Theory, and Competitor Analysis Resource based view, Competitive advantages, Segmentation and Strategic Groups, PEST analysis, Porter Analysis, Life stage analysis, Environmental Scanning, Environmental Threat and Opportunity Profile, Market Structures, Structural Analysis of Industries, Strategic Architecture.

**Unit III:** Vertical Integration: Objectives, Benefits and Costs, Designing Vertical Relationships; Diversification strategy: meaning, objective, competitive advantage; Cost and differentiation strategy, Innovation, Balanced Scorecard, Strategy redesigning, Corporate restructuring, Corporate Governance.

**Unit IV:** International Competition for Industry Analysis; Internationalization Decisions: Locating production, Entering a foreign market, Global Integration and National Differentiation management, Managing Change in the Multibusiness Corporation, Governance of Multibusiness Corporations, Strategic Alliances, Redesigning Organizations.

**Unit V:** Strategic Control systems, Managing Strategic Change, Strategic Leadership, Strategic Entrepreneurship, Corporate Social responsibility, cultural and Ethical issues, Specialist issues in strategic management

## **Suggested Readings**

- Hill, C. W., Jones, G. R., & Schilling, M. A., Strategic management: theory: an integrated approach. Cengage Learning, Latest Edition
- Grant, R. M., & Jordan, J. J., *Foundations of strategy*, John Wiley & Sons, Latest Edition.
- Parnell, J. A., Strategic management, Sage, Latest Edition
- Robert Grant, Contemporary Strategy Analysis, 3rd Edition, Blackwell 1999.
- J.-C. Spender, Business Strategy: Managing Uncertainty, Opportunity, and Enterprise, Oxford University Press; 1 edition, 2014.
- Michael E. Porter, Competitive Strategy: Techniques for Analyzing Industries and Competitors, 1 Edition, 1998.
- H. Mintzberg, J. Lampel and B. Ahlstrand, Strategy Safari: A Guided Tour Through The Wilds of Strategic Management, 2005.

(The list of cases and specific references including recent articles will be announced in the class.)

## **Teaching Plan:**

**Week 1:** Strategy: concept, role and basic framework; Strategic planning, process of strategy and decision making, business and corporate strategies, development of strategic ideas

**Week 2:** Overview of Strategic Management, Traditional approaches of Strategy, Levels of Strategy, Scope and importance of Strategic management, Framework of Strategic Analysis

**Week 3:** Business Environment, External analysis, Competitive dynamics

**Week 4:** Dynamic Competition: Hypercompetition, Game Theory, and Competitor Analysis  
Resource based view, Competitive advantages, Segmentation and Strategic Groups

**Week 5:** PEST analysis, Porter Analysis, Life stage analysis, Environmental Scanning, Environmental Threat and Opportunity Profile, Market Structures, Structural Analysis of Industries, Strategic Architecture

**Week 6:** Vertical Integration: Objectives, Benefits and Costs, Designing Vertical Relationships; Diversification strategy: meaning, objective, competitive advantage

**Week 7:** Cost and differentiation strategy, Innovation, Balanced Scorecard, Strategy redesigning, Corporate restructuring, Corporate Governance

**Week 8:** International Competition for Industry Analysis; Internationalization Decisions: Locating production, Entering a foreign market

**Week 9:** Global Integration and National Differentiation management

**Week 10:** Managing Change in the Multibusiness Corporation, Governance of Multibusiness Corporations, Strategic Alliances, Redesigning Organizations

**Week 11:** Strategic Control systems, Managing Strategic Change, Strategic Leadership, Strategic Entrepreneurship

**Week 12:** Corporate Social responsibility, cultural and Ethical issues, Specialist issues in strategic management

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes  | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---------------------------|--|-------------------|
| 1.       | Introduction              | Lectures/Class discussion              | Test/Presentation |
| 2.       | Strategic Analysis Tools  | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Corporate Strategy        | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Global corporate strategy | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Strategy Implementation   | Lectures/Case studies/Class discussion | Test/Presentation |

## **408: MANAGEMENT OF FINANCIAL INSTITUTIONS**

### **Course Objectives:**

This course aims at developing the necessary skills for applying the principles of financial analysis and risk management to management of funds in financial institutions. The objective is to instil in students an understanding of working of financial institutions and risk exposure. Another aim of this course is to enable students to understand the key concepts of credit risk and how this risk is measured and managed within financial institutions.

### **Course Learning Outcomes:**

CLO1: To introduce students to the basic principles of financial analysis and risk management for financial institutions.

CLO2: To develop an understanding of Indian banking sector in the backdrop of global financial system and international bank management practices

CLO3: To discuss various structural credit risk models applicable for financial institutions

CLO4: To develop an understanding of financial institutions' asset liability management techniques encompassing various types of risks

### **Contents**

**Unit I:** Types of financial institutions, recent trends in domestic and global financial systems, classification of commercial banks, NBFCs, Capital adequacy requirements under Basel II and III, NPAs, strategies of managing NPAs.

**Unit II:** Introduction to ALM and techniques, managing currency exposures, earnings sensitivity analysis and market value of equity sensitivity analysis, ALM trading principles, structured finance products including asset-backed commercial paper, mortgage-backed securities, collateralised debt obligations and structured investment vehicles, and their role in ALM, securitisation and balance sheet management

**Unit III:** Management of interest rate risk, interest sensitive gap, maturity model, duration gap, immunization strategies; Management of market risk, risk metrics model, historic model, BIS regulations and Large-Bank Internal Models; Liquidity risk, Sovereign risk, Foreign exchange risk.

**Unit IV:** Introduction and Overview, evaluating commercial and consumer loan requests, customer profitability analysis and loan pricing, Credit Rating, Structural Credit Risk Models, Credit VaR, Expected Shortfall, Recovery Rate/Loss Given Default (LGD) Introduction to Merton's Model & Moody's Analytics Model.

**Unit V:** Using Forward, Futures and Options Contracts for hedging interest rate risk, foreign exchange risk, credit risk and other risks. Introduction to Credit Derivatives, Credit Default Swaps (CDS), Structural Valuation of CDS and Credit Trading Strategies.

**Suggested Readings:**

- A Saunders and M Cornett, Financial Institutions Management-A Risk Management Approach, McGraw-Hill Higher Education, Latest Edition.
- N Kavitha and Dr A Ramachandran, Funds Management in Commercial Banks: Indian Perspectives, March 2011
- Moorad Choudhry, Bank Asset and Liability Management: Strategy, Trading, Analysis (Wiley Finance), Latest Edition
- Indian Institute of Banking and Finance, General Bank Management, MacMillan, Latest Edition
- Hefferman. S., Modern Banking, Latest Edition.
- Joseph F.S., Jr, Commercial Banks Financial Management, Prentice Hall, Latest Edition.
- Sellar K.C. & Lakshmasuma, Banking Themes and Practice, Vikas Publication, Latest Edition.
- Arnaud de Servigny and Olivier Renault, Measuring and Managing Credit Risk, Standard & Poors, Latest Edition.
- Dominic O’Kane and Lutz Schogl, Modelling Credit: Theory and Practice, Lehman Brothers International (Europe), Latest Edition.
- Srichander Ramaswamy, Managing Credit Risk in Corporate Bond Portfolios: A Practitioner’s Guide, Wiley Finance, Latest Edition.
- Blaise Ganguin and John Bilardello, Fundamentals of Corporate Credit Analysis, Standard & Poors, Latest Edition.

(The list of cases and specific references including recent articles will be announced in the class.)

**Teaching Plan:**

**Week 1:** Types of financial institutions, recent trends in domestic and global financial systems, classification of commercial banks, NBFCs

**Week 2:** Capital adequacy requirements under Basel II and III, NPAs, strategies of managing NPAs

**Week 3:** Introduction to ALM and techniques, managing currency exposures, earnings sensitivity analysis and market value of equity sensitivity analysis

**Week 4:** ALM trading principles, structured finance products including asset-backed commercial paper, mortgage-backed securities, collateralised debt obligations

**Week 5:** structured investment vehicles, and their role in ALM, securitisation and balance sheet management

**Week 6:** Management of interest rate risk, interest sensitive gap, maturity model, duration gap, immunization strategies

**Week 7:** Management of market risk, risk metrics model, historic model, BIS regulations and Large-Bank Internal Models

**Week 8:** Liquidity risk, Sovereign risk, Foreign exchange risk.

**Week 9:** Introduction and Overview, evaluating commercial and consumer loan requests, customer profitability analysis and loan pricing, Credit Rating, Structural Credit Risk Models

**Week 10:** Credit VaR, Expected Shortfall, Recovery Rate/Loss Given Default (LGD) Introduction to Merton's Model & Moody's Analytics Model.

**Week 11:** Using Forward, Futures and Options Contracts for hedging interest rate risk, foreign exchange risk, credit risk and other risks

**Week 12:** Introduction to Credit Derivatives, Credit Default Swaps (CDS), Structural Valuation of CDS and Credit Trading Strategies

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                              | Teaching and Learning Activity         | Assessment Tasks  |
|----------|---|--|-------------------|
| 1.       | Overview of Financial Institutions in India           | Lectures/Class discussion              | Test/Presentation |
| 2.       | Asset Liability Management                            | Lectures/Case studies/Class discussion | Test/Presentation |
| 3.       | Learn to measure Risk faced by financial institutions | Lectures/Case studies/Class discussion | Test/Presentation |
| 4.       | Understand credit risk analysis                       | Lectures/Case studies/Class discussion | Test/Presentation |
| 5.       | Learn to manage risks faced by financial institutions | Lectures/Case studies/Class discussion | Test/Presentation |

## **409: REAL ESTATE AND ALTERNATIVE INVESTMENTS**

### **Course Objectives:**

The objective of this course is to acquaint participants with various alternative asset classes available for investment. The course provide students with a practical and thorough understanding of the peculiarity of real estate, private equity, hedge funds and commodities as alternative investment options.

### **Course Learning Outcomes:**

CLO1: To familiarize students with working of real estate market in India in terms of regulatory framework, valuation aspects and financing options

CLO2: To provide students with fundamental techniques and principles for evaluating real estate investment options

CLO3: To introduce students to the concept of other alternatives investments such as private equity and hedge funds

CLO4: To develop an understanding of commodities market as an alternative asset class

### **Contents:**

**Unit I:** Real Estate Market in India, Importance and role in growth of economy, Real Estate Market Segments, Regulatory Framework, Demand and Supply Dynamics, Legal and Tax Framework, Investment Options for retail investors, Residential Housing Financing, Decision to Rent or Buy, Commercial Property in Real Estate Markets, Commercial Property Leases, Computing After Tax Cash Flows from Operations for Commercial Properties, Investment Decision, Internal Rate of Return, Net Present Value

**Unit II:** Income, cost and sales comparison approaches, direct capitalization vs. discounted cash flow methods, Real Estate Investment Trusts (REITs), REIT Capitalisation, Net asset value per share (NAVPS), FFO and AFFO, Real estate in portfolio context

**Unit III:** Private equity fund structures, due diligence, financial performance of private equity funds, valuation issues in private equity, management fees and carried interest, pre-money and post-money valuation

**Unit IV:** Hedge Fund Types, Hedge Fund Fees; Hedge Fund Strategies; Hedge Fund Indices, Benefits and Costs of Diversification, Factor models, Portfolio analysis to hedge funds

**Unit V:** Overview of major commodity markets: oil, metals, agricultural products, Commodity Derivatives, Rolling Contracts, The Term Structure of Forward Prices, Backwardation and Contango, Commodity Investing for Diversification, Commodity Investing for Return Enhancement, Commodity Risks and Returns, Historical Risks and Returns

**Teaching Plan:**

**Week 1:** Real Estate Market in India, Importance and role in growth of economy, Real Estate Market Segments, Regulatory Framework, Demand and Supply Dynamics, Legal and Tax Framework

**Week 2:** Investment Options for retail investors, Residential Housing Financing, Decision to Rent or Buy, Commercial Property in Real Estate Markets, Commercial Property Leases, Computing After Tax Cash Flows from Operations for Commercial Properties,

**Week 3:** Investment Decision, Internal Rate of Return, Net Present Value

**Week 4:** Income, cost and sales comparison approaches, direct capitalization vs. discounted cash flow methods, Real Estate Investment Trusts (REITs), REIT Capitalisation

**Week 5:** Net asset value per share (NAVPS), FFO and AFFO, Real estate in portfolio context

**Week 6:** Private equity fund structures, due diligence

**Week 7:** Financial performance of private equity funds, valuation issues in private equity, management fees and carried interest, pre-money and post-money valuation

**Week 8:** Hedge Fund Types, Hedge Fund Fees; Hedge Fund Strategies

**Week 9:** Hedge Fund Indices, Benefits and Costs of Diversification, Factor models

**Week 10:** Portfolio analysis to hedge funds

**Week 11:** Overview of major commodity markets: oil, metals, agricultural products, Commodity Derivatives, Rolling Contracts, Term Structure of Forward Prices, Backwardation and Contango, Commodity Investing for Diversification

**Week 12:** Commodity Investing for Return Enhancement, Commodity Risks and Returns, Historical Risks and Returns

**Suggested Readings**

- Brueggeman, William B. and Fisher, Jeffrey D., *Real Estate Finance and Investments*, McGraw-Hill Irwin, Latest Edition
- Sayce, S., *Real Estate Appraisal*, Blackwell Publishing, Latest Edition.
- McMahan, J., *Cases in Commercial Real Estate Investing*, McMahan Real Estate Services, Latest Edition.
- Brown, R.K., *Real Estate Economics*, Houghton Mifflin, Latest Edition
- Barlow, R., *Land Resource Economics*, Prentice Hall, Latest Edition
- Harvey, J., *Economics of Real Property*, MacMillan, Latest Edition

- Geltner, David M., Norman G. Miller, Jim Clayton, and Piet Eichholtz. *Commercial Real Estate Analysis and Investments*. Cincinnati, OH: South-Western Educational Publishing, Latest Edition
- Mark J. P. Anson, *Handbook of Alternative Assets*, John Wiley & Sons, Latest Edition

**Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes   | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understand the importance and role of real estate market in India including the regulatory and tax framework | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Understand the methods of Investment and Valuation of Real Estate  | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Understand the private equity fund structures including its financial performance                            | Lectures/Class Discussion/Case study | Test/Presentation |
| 4.       | Understanding various hedge fund types including strategies  | Lectures/Class Discussion            | Test/Presentation |
| 5.       | Understanding commodity risk and returns and investing for diversification                                   | Lectures/Class Discussion            | Test/Presentation |

## **410: MARKETING OF FINANCIAL SERVICES**

### **Course Objectives:**

The objective of the paper is to familiarise the students with the nature and scope of various types of marketing strategies to make financial services available in the market place.

### **Course Learning Outcomes:**

CLO1: To introduce students to overall framework of marketing of financial services in terms of consumers and strategies

CLO2: To familiarize students with working of financial services marketplace in India in terms of structure, products and marketplace

CLO3: To provide students with conceptual understanding of banking and insurance marketing

CLO4: To introduce students to the concept of customer care and service quality

### **Course Outline**

**Unit I:** Role and contribution of the financial services, Changing environment of financial services and understanding the financial services consumers

**Unit II:** Analysing marketing environment and developing marketing strategies, Financial services marketplace: structures, products and participants

**Unit III:** Financial services mix-Product strategy; Advertising and promotion; Pricing; Distribution channels, Customer care and service quality

**Unit IV:** Banking and insurance marketing, Building society marketing, Marketing of unit and investment trusts

**Unit V:** Marketing of various fee based services and fund based services.

### **Teaching Plan:**

**Week 1:** Role and contribution of the financial services, economic and social significance of the financial services sector

**Week 2:** Changing environment of financial services and understanding the financial services consumers

**Week 3:** Analysing marketing environment and developing marketing strategies

**Week 4:** Financial services mix and Product strategy

**Week 5:** Advertising and promotion, Pricing

**Week 6:** Distribution channels, Customer care and service quality

**Week 7:** Banking and insurance marketing, marketing audit: environmental analysis, internal analysis

**Week 8:** Growth and competitive strategies: market penetration, market development, product development, diversification

**Week 9:** Marketing strategy, market segments, personal customers and corporate customers

**Week 10:** Product Decisions; Pricing; Distribution Systems

**Week 11:** Marketing challenges facing the Insurance industry

**Week 12:** Fee based and Fund based financial services

### **Suggested Readings**

- Indian institute of banking and finance, Managing and Marketing of Financial Services. Taxmann publications, Latest Edition
- Harrison,T. &Estelami, H (Eds.), The Routledge Companion to Financial Services Marketing, Latest Edition
- Wright, M. & Watkins, M , Marketing Financial Service, Routledge, Latest Edition
- Ennew, C. & Waite, N.Financial Services Marketing: An International Guide to Principles and Practice, Routledge, Latest Edition
- Khan, M.Y., Financial Services, Tata McGraw-Hill, New Delhi, Latest Edition
- Molver, C. and G. Naylor, Marketing Financial Services, Latest Edition

### **Facilitating the achievement of Course Learning Outcomes**

| Unit No. | Course Learning Outcomes                                       | Teaching and Learning Activity       | Assessment Tasks  |
|----------|--|--------------------------------------|-------------------|
| 1.       | Understand the Role and contribution of the financial services | Lectures/Class Discussion/Case study | Test/Presentation |
| 2.       | Analysing marketing environment                                | Lectures/Class Discussion/Case study | Test/Presentation |
| 3.       | Financial services mix and Product strategy                    | Lectures/Class Discussion/Case study | Test/Presentation |
| 4.       | Banking and insurance marketing                                | Lectures/Class Discussion            | Test/Presentation |
| 5.       | Fee and Fund based services                                    | Lectures/Class Discussion            | Test/Presentation |