

SEMESTER III – FINANCE SPECIALIZATION

Paper No.	Title of Paper
MBA/301	Business Law
MBA/3101/F	Indian Financial System
MBA/3102/F	Banking System
MBA/3103/F	Working Capital Management
MBA/3104/F	International Financial Management
MBA/3105/F	Investment Science
MBA/3106/F	Risk Management
MBA/307	Dissertation

Objective: To familiarize the students with different laws governing business activities along with their objective, provisions and interpretations.

Unit – I The Indian Contracts Act 1872; Essentials of a valid contract, void agreements, performance of contract, breach and its remedies, quasi contracts

Unit – II The sale of Goods Act 1930: Formation of Contract, Rights of an unpaid seller

Unit – III The Negotiable Instruments Act 1881: Nature and type of negotiable instruments, Negotiation and assignment, Holder in due course, Dishonor and discharge of negotiable instrument

Unit – IV The Companies Act 1956: Nature and type of companies, formation, Memorandum and Article of Association, Winding up of companies

Unit – V An overview of Consumer Protection Act 1986, IT Act 2000, and Cyber laws with specific reference to e-commerce, Intellectual Property Law, Patents and copyright.

Suggested Readings:

1. Avtar Singh, *Company News*, 11th ed., Lucknow, Eastern, 1996.
2. Ramaiya A, *Guide to the Companies Act*, Nagpur, Wadhwa, 1992.
3. Tuteja S.K., *Business Law For Managers*, New Delhi, Sultan Chand, 1998.
4. Ashwathappa & Ramachandra, *Principles of Business Law*, 6th ed., 2001.
5. Maheshwari & Maheshwari, *Business Laws*, 1st ed., 2002.

Objective: This paper intends to make the students familiarize with the operational dimensions of Indian Financial System.

Unit I: Financial System: An overview, structure & functions, Financial System and Economic Development, Major Issues in Indian Financial System, Saving-Investment and Capital Accumulation Pattern in India.

Unit II: Financial Markets: Working, Functions and Trends of-Money Market, Capital Market, Debt Market, Bills Market and Foreign Exchange Markets

Unit III: Financial Market Intermediaries: Role and Significance of -Stock Exchanges, National Stock Exchange & Bombay Stock Exchange, Discount and Finance House of India, Securities and Exchange Board of India, Securities Trading Corporation of India Ltd., Over The Counter Exchange of India (OTC)

Unit IV: Financial Institutions: Working, Functioning and Relevance of Reserve Bank of India, Commercial Banking, Non Banking Financial Institutions, Non-Banking Finance Companies, Development Banking, Life Insurance, General Insurance.

Unit V: Financial Instruments: Features and Importance of Adhoc Treasury Bills, 182 Days Treasury Bills, Certificate of Deposits, Commercial Paper, Hawala

Suggested Reading:

- 1) The Indian Financial System and Development; Vasant Desai, Himalaya Publishing House
- 2) M.Y.Khan, "Indian Financial System", Tata McGraw Hill, 6th Ed.
- 3) M.Vora, "Indian Financial System" , Anmol Publication, 2006
- 4) Bharti V.Pathak, "The Indian Financial System: Markets, Institutions and Services", Pearson Education, 2nd Ed.; 2009
- 5) H.R.Machiraja, "Indian Financial System", Vikas Publishing House, 4th Ed.

Objective: To acquaint the students with the functioning of banking industry and to make them aware regarding the significance of modern banking products.

- Unit I: Banking System in India-Indigenous Bankers, Commercial Banks, Co-operative Banks, Regional Rural Banks-Private Sector Banks, Foreign Banks, Merchant Banking, Banking Sector Reforms, Primary, Secondary and Subsidiary Functions of Banks, Banking Innovation, Globalization of Indian Banking Sector, Banking in New Millennium.
- Unit II: Banking Regulation-Banking business, Capital requirement, management, licensing, new branches, loans and advances, NPA'S, Acquisition of Business, Winding up and amalgamation, major issues of banking, Bank Management.
- Unit III: Central Banking: Concept and Meaning, Major Central Banks, Reserve Bank of India, it's role and functions, Banking Regulation by RBI, RBI & Agricultural Credit, Industrial Finance and Bill Market System.
- Unit IV: Commercial Banking: Concept and Scope, Commercial Banking and Risk Management, Functions and Services of Commercial Banks, Credit Management, Installation and Significance of Sound Credit Culture
- Unit V: Upcoming Issues in Banking, Customer Services, CRM, Human Resource Management, Financial Management, Marketing Management of banking services, New Trend in Banking.

Suggested Readings:

- 1) Gordon-Natrajan, Banking Theory, Law and Practice, Himalaya Publishing House
- 2) Vasant Desai, Bank Management, Himalaya Publishing House.
- 3) S. Gurusamy, "Banking Theory: Law and Practices," Tata McGraw Hill 2nd Ed., 2009.
- 4) Vasant Joshi, Vinay Joshi, "Managing Indian Banks: The Challenges Ahead," Sage India, 3rd Ed. 2009.

Objective :The objective of the course is to acquaint the students with the importance of the working capital and the techniques used for effective working capital management.

Unit-I Concept of Working Capital Management, Importance of Working Capital, Kinds of Working Capital, Factors Determining Working Capital, Estimating Working Capital Requirements, Operating Cycle.

Unit-II Management of Cash-Motives for Holding Cash and marketable securities, Cash System, Managing the Cash Flows.

Unit-III Managing Corporate Liquidity and Financial Flexibility; Measures of Liquidity, Determining the Optimum Level of Cash Balances - Baumol Model, Benanek Model.

Unit-IV Inventory Management-Kinds of Inventories, Benefits and Cost of holding Inventories, Inventory Management and Valuation, Inventory Control Models.

Unit-V Receivables Management, Objectives, Credit Policies, Credit Terms and Collection Policies

Suggested Readings :

1. Bhalla, V.K., *Working Capital Management : Text and Cases*, 4th ed., Delhi, Anmol, 2001.
2. Scherr, F. C., *Modern Working Capital Management*, Prentice Hall, 1989.
3. Gopalkrishnan, *Inventory and Working Capital Management Handbook*, McMillan India.
4. Bhattacharya, *Working Capital Management : Strategic and Techniques*, PHI.
5. Maheshwari, S. N., *Cost and Management Accounting*.
6. Baneerjee Dr. R.P., *Working Capital Management*, Everest Publishing House, 1st ed., 2003.

Objective : The objective of this paper is to give students an overall view of the international financial system and how multinational corporations operate.

Unit-I Multinational Financial Management - An overview; Evolution of the International Monetary and Financial System.

Unit-II Managing short-term assets and liabilities; Long-term Financing & Long-run Investment Decisions - The foreign Investment Decision.

Unit-III Cost of Debt, Cost of Capital, Weighted Average Cost of Capital and Capital Structure of the Multinational Firm.

Unit-IV Multinational Capital Budgeting Application and Interpretation. Dividend Policy of the Multinational Firm, Taxation of the Multinational Firm

Unit-V Analysis of Country Level Risk, Political Risk Management; Foreign Exchange Operating Exposure, Debt and Foreign Exchange Exposure

Suggested Readings :

1. Abdullah, F.A., *Financial Management for the Multinational Firm*, Englewood Cliffs, New Jersey, Prentice Hall Inc., 1987.
2. Bhalla, V.K., *International Financial Management*, 2nd ed., New Delhi, Anmol 2001.
3. Buckley, Adrian, *Multinational Finance*, New York, Prentice Hall Inc., 3rd ed., 2003.
4. Sengupta, *International Factoring in India*, McMillan India.
5. Jain, *International Financial Management*, McMillan India.
6. Shapiro, Alan C., *Multinational Financial Management*, New Delhi, Prentice Hall of India, 4th ed., 21, 2003.

Objective: To acquaint the students with the criterion and process of investment decisions.

- Unit I: Meaning, Objectives and Significance & Mechanism of Investments, Issues and Dilemmas of Investments, Investment Options and Opportunities, Investment Return and Risk, Consideration of Investment as a Science, Indian Investment Scenario.
- Unit II: Investment Markets and Intermediaries, Money Market, Stock Market- Constitution, Functions. Performance Indian Stock Market. Sensex and Nifty- Construction and Significance, Stock Market as the Leading Indicator of an Economy.
- Unit III: Basic Theory of Interest, Time Value Consideration, Evaluation of Investment opportunities, NPV-IRR Frame work, Appropriateness of NPV v/s IRR
- Unit IV: Valuation of Investment in Debt Securities, Fundamentals of Bond Valuation, Yield to Maturity Approach, Valuation of Debentures, Tax Considerations.
- Unit V: Valuation of Investment in Shares, Valuation of Investment in Preference Shares, Valuation of Investment in Equity Shares, Dividend Valuation Model.

Suggested Readings:

- 1) David G. Luenberger, Investment Science, Oxford University Press.
- 2) Rielly / Brown, Investment Analysis & Portfolio Management, Cengage Learning
- 3) Preeti Singh, Investment Management, Himalaya Publishing House.

Objective:

To make the students well versed with the mechanism of risk estimation and elimination framework for financial decision making in modern business scenario.

Unit I:

Introduction to risk management: Approaches to defining risk, Impact of risk on organizations, Types of risk, Development of risk management. Risk Management: Principles, Aims, Objectives and Standards. Risk Management Policy, Documentation, and Responsibilities.

Unit II:

Risk Assessment: Risk architecture and structure, Risk-aware culture, Risk Training and Communication, Risk Assessment Considerations, Risk Classification Systems, Risk likelihood and impact, defining the upside of risk.

Unit III:

Risk and Organizations: Corporate Governance Model, Stakeholder expectations, Analysis of the business model, Project Risk Management, Operational Risk Management, Supply Chain Management.

Unit IV:

Risk Response: Enterprise Risk Management, Importance of Risk Appetite, Tolerate, Treat, Transfer and Terminate, Risk Control Techniques, Control of selected hazard risks, Insurance and Risk Transfer

Unit V:

Risk Assurance and Reporting:

Evaluation of the control environment, Activities of the internal audit function, Risk Assurance Techniques, Reporting on Risk Management, Corporate Social Responsibility, Future of Risk Management.

Suggested Readings:

- 1 Bhalla, V.K., Investment Management : Security Analysis and Portfolio Management, 8th Ed., Delhi., S.Chand, 2001
- 2 Anthony Sounders, Merica Cornett, “Financial Institutions Management:- A Risk Management Approach”” Tata McGraw Hill.