

**SEMESTER IV – CORPORATE & GLOBAL FINANCE (CGF) SPECIALIZATION**

<b>Paper No.</b>	<b>Title of Paper</b>
MBA/401	Strategic Management
MBA/4101/CGF	Financial Decision Analysis
MBA/4102/CGF	Security Analysis And Portfolio Management
MBA/4103/CGF	Financial Derivatives
MBA/4104/CGF	Management Of Financial Services
MBA/4105/CGF	Foreign Exchange Market
MBA/4106/CGF	Insurance Management
MBA/407	Dissertation

**Objective:** The objective of this course is to develop understanding about strategic processes and their impact on a firm.

Unit – I Corporate Strategy and Planning – Concept of strategy. Strategic Management and strategic management Process, Evolution of Corporate Policy in India, Models and Phases of Strategic Management Process, 7-S Framework

Unit – II SWOT Analysis, Environmental Analysis, Competitive Analysis, Internal corporate Analysis

Unit – III Strategic Analysis, Cost Analysis, Portfolio Analysis and Display Matrices, Operating and Financial Analysis

Unit – IV Strategic Alternatives, Diversification, Mergers and Acquisition, Turn-Around Management

Unit – V Strategic Choice, Implementation of Strategy, Evaluation and Control of Strategy

**Suggested Readings:**

1. Johnson & Scholes, *Exploring Corporate Strategies*, PHI, 6th ed., 2003.
  2. Bowman Cliff, *Essence of Strategic Management*, PHI, 2003.
  3. John Pearce, *Strategic Management*, TMH.
  4. Byars, *Strategic Management*, TMH.
  5. Rastogi, *Managing Constant Change*, McMillan India.
  6. Ulrich, *Managing Corporate Culture*, McMillan India.
  7. Prasad, *Organisational Development For Excellence*.
  8. Acharya and Govekar, *Business Policy and Strategic Management*, 2nd ed., 1999, Himalaya Publishing House.
  9. Cherunilam, Francis, *Strategic Management*, 7th ed., 2003, Himalaya Publishing House.
  10. Azhar Kazmi, *Corporate Strategy and Business Policy*, TMH Publications
- Serial no. 5, 6 and 7 to be deleted  
Other references remain as such.

**Objective:** The basic objective of this course is to impart an intensive knowledge about the use of quantitative techniques in specified financial decision making areas.

Unit-I	Financial Decision Making Tools – Ratio Analysis, Fund Flow Analysis, Cash Flow Analysis
Unit-II	Financial Decisions Under Risk and Uncertainty – Capital Expenditure Decisions Under Risk and Uncertainty, Cost-Volume-Profit Analysis Under Conditions of Uncertainty
Unit-III	Financial Decision Alternatives – Leasing V/S Buying, Replacement Decisions, Sequencing Decisions
Unit-IV	Financial Restructuring Decisions – Business Failure and Reorganization, Mergers and Acquisitions, Capital Structure Decisions
Unit-V	Financial Decision Models - Dividend Valuation Models, Present Valuation (PV) Models

**Suggested Readings :**

1. Chatterjee B.K., Marketing Management : A Finance Emphasis.
- 2.. Pillai & Bhagwati, Cost Accounting, S.Chand & Co.
3. Khan and Jain, Financial Management, Tata Mcgrawhill, 5<sup>th</sup> ed.
4. Khanna B.S., Practical Cost Accounting, S.Chand & Co.
5. Alexander, Sharpe & Bailey, Fundamentals of Investments, 3rd ed., 3, PHI, 2003.
6. Haugen, Modern Investment Theory, 5th ed., 10, 2003, Pearson Education.
7. Sharpe, Alexander & Bailey, Investments, 6th ed., 23, PHI, 2003.
8. Alexander, Gordon J. and Sharpe, William F., *Fundamentals of Investments*, Englewood Cliffs, New Jersey., Prentice Hall Inc., 3<sup>rd</sup> ed., 2003.
9. Bhalla, V.K., *Investment Management : Security Analysis and Portfolio Management*, 8<sup>th</sup> ed., Delhi, S.Chand, 2001.

## MBA/4102/CGF      **Security Analysis And Portfolio Management**

**Objective:** The objective of this course is to impart knowledge to students regarding the theory and practice of Security Analysis and Portfolio Management.

**Unit 1:** Security Analysis- Definition, Objectives; Operations of Indian Stock Market, Type and its Recent Developments; Listing & Indexing of Securities-Rules and Regulations; SEBI- Roles, Functions

**Unit-2:** Fundamental Analysis, Economy-Industry and Company (E-I-C) Analysis, Technical Analysis: Tools and Techniques

**Unit 3:** Portfolio Management Concept and Meaning –Risk-return Tradeoff, The Mean-Variance Criterion (MVC) – Markowitz Portfolio Theory, MVC and Portfolio Selection, Portfolios of two Risky Securities, A Three Security Portfolio.

**Unit 4:** The Efficient Frontier- Tracing & Constructing, Sharpe: Single Index Model. Capital Asset Pricing Model, Characteristics Lines, Factor Models and Arbitrage Pricing Theory.

**Unit 5:** Portfolio Investment Process, Bond Portfolio Management Strategies, Investment Timing and Portfolio Performance Evaluation and Revision Models.

### **Suggested Readings :**

1. Alexander, Gordon J. and Sharpe, William F., *Fundamentals of Investments*, Englewood Cliffs, New Jersey., Prentice Hall Inc., 3<sup>rd</sup> ed., 2003.
2. Bhalla, V.K., *Investment Management : Security Analysis and Portfolio Management*, 8<sup>th</sup> ed., Delhi, S.Chand, 2001.
3. *Portfolio Analysis and Management*, Delhi, S.Chand, 2002.
4. Revin, *Portfolio Management*.
5. Shapiro, *Multinational Financial Management*, 4th ed., 21, 2003, PHI.
6. Sharan, *International Financial Management*, 2nd ed., 22, 2003, PHI.
7. Avadhani, V.A., *Investment Analysis Portfolio Management*, 2nd ed., 1999.
8. Charles Caes, *How to Make Money When Stock Crash*.
9. Robert, A. Strong, *Portfolio Management Hand Book*.

**Objective:** The objective of this paper is to give an in depth knowledge of the functioning of derivative securities market.

**Unit 1:** Financial Derivatives – Concept, Participants, Products, Uses, features, History of Derivatives Market, Myth about Derivatives & its regulation in India.

**Unit 2:** Concept & Meaning of Forward Contracts, Mechanics of Forward Contracts, Pricing of the Forwards, Hedging in Forward Contracts.

**Unit 3:** Concept & Meaning of Future Contracts, Mechanism of Future Contracts; Types of Future, Pricing and Hedging, Stock Index Futures.

**Unit 4:** Concept & Meaning of Options, Types of Options, Pricing of Options: Black and Scholes, Binomial Model, Trading Strategies involving Options.

**Unit 5:** Swaps, Mechanics of Interest Rate Swaps and Currency Swaps, Valuation of Interest rate Swaps & Currency Swaps.

**Suggested Readings :**

1. Bhalla, V.K., *Investment Management : Security analysis and Portfolio Management*, New Delhi, S.Chand, 2001.
2. *Financial Derivatives*, Delhi, S.Chand, 2001.
3. Cox, John C and Rubinstein, Mark, *Options Markets*, Englewood Cliffs, New Jersey, Prentice Hall Inc., 1985.
4. Hull, John C., *Options, Futures and Other Derivative Securities*, 5th ed., New Delhi, Prentice Hall Of India, 2003.
5. Gardner, *Future and Options*, McMillan India.
6. Hull, *Options, Futures and Other Derivatives (with CD-ROM)*, 5th ed.
7. Kolb, *Understanding Futures Markets*, 3rd ed., Prentice Hall of India, 2003.
8. Redhead, *Financial Derivatives - An Introduction to Futures, Forwards, Options and Swaps*, PHI, 2003.
9. Brahmaiah & Rao, *Financial Future and Options*, 1st ed.

**Objective:** The main objective of this course is to help students to learn the various financial services and their role in the overall financial system.

**Unit 1:** Financial Systems and Markets; Concept, Nature and Scope of Financial Services; Regulatory Framework for Financial Service.

**Unit 2:** Management of Risk in Financial Services; Stock Exchange Operations; Managing of issue shares and bonds- Mobilizing of Fixed Deposits Inter-Corporate Loans.

**Unit 3:** Other Financial Services-Leasing and Hire Purchase; Debt Securitization; Housing Finance.

**Unit 4:** Credit Rating; Credit Cards; Mutual Funds; Advance Banking and Insurance; Merchant Banking Services;

**Unit 5:** Venture Capital, Factoring for Failing and Bill Discounting.

**Suggested Readings :**

1. Bhalla, V.K., *Management of Financial Services*, Anmol, New Delhi, 2001.
2. Bhalla, V.K. and Dilbag, Singh, *International Financial Centres*, New Delhi, Anmol, 1997.
3. Ennew. C, Trevor Walkins and Mike Wring, *Marketing of Financial Services*, Heinemann Professional Pub., 1990.
4. Gordan, E. and K. Natrajan, *Emerging Scenario of Financial Services*, Himalaya Publishing House, 1997.
5. Pathak, *Indian Financial System*, Pearson Education.
6. Avadhani, V.A., *International Finance : Theory and Practice*, 5th ed., 2003, Himalaya Publishing House.
7. Avadhani, V.A., *Global Business Finance*, 1st ed., 2000, Himalaya Publishing House

**Objective:** The main objective of this course is to give students an in depth knowledge of the working of international financial markets.

**Unit 1:** History of the International Financial Systems- The rise and fall of Bretton Woods, Present International Financial Systems, International Monetary System and Working of IMF.

**Unit 2:** Foreign Exchange Markets: Organization, Structure and types, Exchange rate determination and equilibrium, Factors affecting exchange rate determination, Direct and Indirect Quotes. Spot and Forward Rate

**Unit 3:** Exposure management: Organization, function, parameter, constraints and techniques Exposure Information System; Corporate Exposure Management.

**Unit 4:** Currency futures and options, Interest rate swaps and Currency Swaps working and valuation.

**Unit 5:** Euro-currency market, Euro banking and Euro-currency centers, Eurobond and its valuation, International Bond market- Introduction and features.

**Suggested Reading :**

1. Bhalla, V.K., *International Financial Management*, 2nd ed., New Delhi, Anmol, 2001.
2. Bhalla, V. K., *Managing International Investment and Finance*, New Delhi, Anmol, 1997.
3. Buckley, Adrian, *Multinational Finance*, 3rd ed., Englewood Cliffs, Prentice Hall Inc., 1996, 6, PHI.
4. Click & Caval, *The Theory and Practice of International Financial Management*.
5. Maheshwari, S. N., *International Financial Management*.
6. Vyaptakesh Sharam, *International Business concept, Environment and strategy*, Pearson Education.
7. P.G.Apte, "International Financial Management", Tata McGraw Hill.

**Objective:** To acquaint the students with the working of Insurance Sector and the challenges thereto.

**Unit I:**

Introduction to Insurance: Concept and Definition, Nature of Insurable Risk, Importance and Classification of Insurance. Essentials and Principles of an Insurance Contract, Insurance Contract v/s. Wagering Contract.

**Unit II:**

Introduction to Life Insurance: Concept, Definition, Essential Features and Principles of Life Insurance, Characteristics, Need and Importance of Mortality Table, Construction of Mortality Tables, Types of Mortality Table. Computation of Premium.

**Unit III:**

Life Insurance Products: Term Assurance Plan, Endowment Policies, Whole Life Policies. Definition and Nature of Annuity, Life Insurance V/s Annuity, Types of Annuity Products. ULIP and Pension Plans, Meaning and Types, Selecting a Pension Plan, Comparison of different Insurance Plan, Life Insurance Corporation of India-Functions, Organization and Management.

**Unit IV:**

Introduction to General Insurance: Concept and Types. Fire Insurance: Concept, Definition, Nature and Functions. Procedure of taking out, Renewal, Cancellation and Assignment of Fire Insurance Policy. Principles of Fire Insurance-Utmost Good Faith, Insurable Interest, Indemnity, Subrogation, Causa Proxima.

**Unit V:**

Health Insurance, Automobile Insurance, Agriculture Insurance and Property Insurance: Concept, Features, Functioning and Prospects.

**Suggested Readings**

- 1) Insurance Management Text and Cases, S.C.Sahoo and S.C.Das, Himalaya Publishing House, first edition
- 2) Insurance and Risk Management, Dr. P.K.Gupta, Himalaya Publishing House, first edition 2004.
- 3) Principles and Practice of Insurance, Dr. P.Periasamy, Himalaya Publishing House, Second Revised Edition, 2009.