Stream/ Specialization: **Financial Management**

SL. NO	COURSE CODE	COURSE TITLE	CATEGORY	PERIODS PER WEEK			TOTAL CONTACT PERIODS	CREDITS
				L	T	P		
Stream/ Specialization : **Financial Management [7]**								
1.	BA4001	Security Analysis and Portfolio Management	PEC	3	0	0	3	3
2.	BA4002	Financial Markets	PEC	3	0	0	3	3
3.	BA4003	Banking and Financial Services	PEC	3	0	0	3	3
4.	BA4004	Financial Derivatives	PEC	3	0	0	3	3
5.	BA4005	Financial Modelling	PEC	3	0	0	3	3
6.	BA4006	International Finance	PEC	3	0	0	3	3
7.	BA4007	Behavioral Finance	PEC	3	0	0	3	3

BA4001 SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT **L T P C**
3 0 0 3

COURSE OBJECTIVES:

Enables student to

- Understand the nuances of stock market operations.
- Understand the techniques involved in deciding upon purchase or sale of securities.

UNIT I INVESTMENT SETTING 9

Financial and economic meaning of Investment – Characteristics and objectives of Investment – Investment process -Types of Investment – Investment alternatives – Choice and Evaluation – Risk and return concepts - Valuation of bonds and stock.

UNIT II FUNDAMENTAL ANALYSIS 9

Economic Analysis – Economic forecasting and stock Investment Decisions – Forecasting techniques. Industry Analysis : Industry classification, Industry life cycle – Company Analysis Measuring Earnings – Forecasting Earnings – Applied Valuation Techniques – Graham and Dodds investor ratios.

UNIT III TECHNICAL ANALYSIS 9

Fundamental Analysis Vs Technical Analysis -- Dow theory – Charting methods - Chart Patterns Trend – Trend reversals – Market Indicators -Moving Average – Exponential moving Average Oscillators -RSI -ROC - MACD.

Efficient Market theory - Forms of market efficiency -weak, semi-strong, strong form - Empirical tests of market efficiency -its application.

UNIT IV PORTFOLIO CONSTRUCTION AND SELECTION 9

Portfolio analysis - Reduction of portfolio risk through diversification – Portfolio risk - Portfolio Selection - Feasible set of portfolios - Efficient set - Markowitz model - Single index model - Construction of optimum portfolio - Multi-index model.

UNIT V 9

Capital Asset Pricing model - Lending and borrowing - CML - SML - Pricing with CAPM - Arbitrage pricing theory– Portfolio Evaluation - Sharpe's index Treynor's index, Jensen's index – Mutual Funds – Portfolio Revision.

TOTAL :45 PERIODS

COURSE OUTCOMES :

1. Understand the concept of investment and identify the investment alternatives to investors
2. Learn the nuances of fundamental analyses and technical analyses
3. Analyse and evaluate the value of securities
4. Explain how to construct an efficient portfolio
5. Explore the various methods through which portfolio evaluation could be done

REFERENCES :

1. Donald E.Fischer & Ronald J.Jordan, Security Analysis & Portfolio Management, PHI Learning., New Delhi, 8th edition, 2011.
2. Prasannachandra, Investment analysis and Portfolio Management, Tata McGraw Hill, 2011.
3. Reilly & Brown, Investment Analysis and Portfolio Management, Cengage Learning, 9th edition, 2011.
   S. Kevin , Securities Analysis and Portfolio Management , PHI Learning , 2012.
4. Punithavathy Pandian, Analysis & Portfolio Management, Vikas publishing house PVT LTD, second edition, 2013.
5. Bodi, Kane, Markus, Mohanty, Investments, 8th edition, Tata McGraw Hill, 2011.
6. V.A.Avadhan, Securities Analysis and Portfolio Management, Himalaya Publishing House, 2013.
7. V.K.Bhalla, Investment Management, S.Chand & Company Ltd., 2012

BA4002 **FINANCIAL MARKETS** **L T P C**
3 0 0 3

COURSE OBJECTIVE:

- To understand the types and functions of the various financial markets in India, its instruments and Regulations.

UNIT I FINANCIAL MARKETS IN INDIA 9

Indian financial system and markets – structure of financial markets in India –Types-Participants in financial Market – Regulatory Environment, - RBI, CCIL, Common securities market, Money market, - Capital market - Governments philosophy and financial market – financial instruments

UNIT II INDIAN CAPITAL MARKET- PRIMARY MARKET 9

Primary Market - Primary market system - Types of scripts - Issue of capital: process, regulation pricing of issue, – Methods of floating new issues, Book building- Primary markets intermediaries: commercial banks, development banks, Merchant banker, issue managers, rating agencies etc – Role of primary market – Regulation of primary market.

UNIT III SECONDARY MARKET 9

Stock exchanges in India - History and development -listing - Depositaries - Stock exchange mechanism: Trading, Settlement, risk management, Basics of pricing mechanism - Player and stock exchange - Regulations of stock exchanges –Role of SEBI – BSE, OTCEI, NSE, ISE, - Role of FIIs, MFs and investment bankers –Stock market indices – calculation.

UNIT IV DEBT MARKET AND FOREX MARKET 9

Bond markets in India: Government bond market and its interface with capital market - Components of bond market - G-Sec, T-Bills, Corporate Bonds, Yield conventions, Role of primary dealers, Auction Markets - Pricing of Bonds

Introduction to Forex markets, basics in exchange rates theory - Forex risk exposures and basics of corporate forex risk management.

UNIT V MUTUAL FUNDS, DERIVATIVES MARKETS AND VENTURE CAPITAL AND PRIVATE EQUITY 9

Mutual funds institutions in India. Types of mutual funds, Basics in portfolio management, Metrics of performance for fund manager

Introduction to Derivatives and the size of derivatives markets -Brief introduction to forwards, Options, Futures And Swaps. Role of VCs and PEs in financial markets - Venture capital and Private equity

TOTAL: 45 PERIODS

COURSE OUTCOMES:

1. Understanding the basic concepts of the finance markets in India
2. Identify the underlying structure and functions of Indian financial markets
3. Familiarise the methods of issuing shares and the role of intermediaries in the primary market
4. Learn about the trading mechanism in stock market
5. Describe the instruments, participants and trading in debt market

REFERENCES:

1. Christopher Viney and Peter Phillips, Financial Institutions, Instruments and Markets (2015), 8th Edition published by McGraw Hill.
2. Pathak, Bharati V., Indian Financial System: Markets, Institutions and Services, Pearson education (Singapore), New Delhi, Fourth edition, 2014.
3. Saunders, Anthonu and Cornett, Marcia Millon, Financial markets and Institutions: An Introduction to the risk management approach, McGrawHill, Irwin, New York,3rd Edition,2017.
4. Bhole, L.M, Financial institutions and Markets: Structure, Growth and Innovations, McGrawHill, New Delhi, Sixth edition, 2017.
5. 5.Fabozzi, Frank J. and Modigliani, Franco, Capital Markets: Institutions and Markets, Prentice Hall of India, New Delhi, Fourth edition, 2009.

BA4003 BANKING AND FINANCIAL SERVICES

L	T	P	C
3	0	0	3

COURSE OBJECTIVES :

- Grasp how banks raise their sources and how they deploy it and manage the associated risks
- Understand e-banking and the threats that go with it.
- Understand about other asset based and fund based financial services in India

UNIT I INTRODUCTION TO INDIAN BANKING SYSTEM AND PERFORMANCE EVALUATION 9

Overview of Indian Banking system – Structure – Functions – Key Regulations in Indian Banking sector –RBI Act, 1934/ 2006 –Banking Regulation Act, 1949– Negotiable Instruments Act 1881/ 2002 – Provisions Relating to CRR – Provision for NPA's - Overview of Financial Statements of banks – Balance Sheet – Income Statement - CAMEL

UNIT II MANAGING BANK FUNDS/ PRODUCTS & RISK MANAGEMENT 9

Capital Adequacy – Deposit and Non-deposit sources – Designing deposit schemes and pricing of deposit sources – loan management – Investment Management – Asset and Liability Management – Financial Distress –Signal to borrowers – Prediction Models – Risk Management – Interest rate – Forex – Credit market –operational and solvency risks – NPA's – Current issues on NPA's – M&A's of banks into securities market

UNIT III DEVELOPMENT IN BANKING TECHNOLOGY 9

Payment system in India – paper based – e payment –electronic banking –plastic money – e-money –forecasting of cash demand at ATM's –The Information Technology Act, 2000 in India – RBI's Financial Sector Technology vision document – security threats in e-banking & RBI's Initiative.

UNIT IV ASSET BASED FINANCIAL SERVICES 9

Introduction – Need for Financial Services – Financial Services Market in India –NBFC – RBI framework and act for NBFC – Leasing and Hire Purchase – Financial evaluation – underwriting – mutual funds

UNIT V INSURANCE AND OTHER FEE BASED FINANCIAL SERVICES 9

Insurance Act, 1938 –IRDA – Regulations – Products and services –Venture Capital Financing –Bill discounting –factoring – Merchant Banking – Role of SEBI

TOTAL :45 PERIODS

COURSE OUTCOMES:

1. Understand the overall structure and functions of Indian Financial System
2. Gain knowledge about regulations governing the Indian Banking system
3. Price various types of loans proposed by banks to various prospective borrowers with different risk profiles and evaluate the performance of banks
4. Familiarise the students with the concept of e-banking
5. In-depth understanding of fee-based and fund-based financial services in India

REFERENCES:

1. Padmalatha Suresh and Justin Paul, "Management of Banking and Financial Services, Pearson, Delhi, 2017.
2. Meera Sharma, "Management of Financial Institutions – with emphasis on Bank and Risk Management", PHI Learning Pvt. Ltd., New Delhi 2010
3. Peter S. Rose and Sylvia C. and Hudgins, "Bank Management and Financial Services", Tata McGraw Hill, New Delhi, 2017

BA4004 **FINANCIAL DERIVATIVES** **L T P C**
3 0 0 3

COURSE OBJECTIVES:

To enable students

- Understand the nuances involved in derivatives
- Understand the basic operational mechanisms in derivatives

UNIT I INTRODUCTION 10

Derivatives – Definition – Types – Forward Contracts – Futures Contracts – Options – Swaps – Differences between Cash and Future Markets – Types of Traders – OTC and Exchange Traded Securities – Types of Settlement – Uses and Advantages of Derivatives – Risks in Derivatives.

UNIT II FUTURES CONTRACT 10

Specifications of Futures Contract - Margin Requirements – Marking to Market – Hedging using Futures – Types of Futures Contracts – Securities, Stock Index Futures, Currencies and Commodities – Delivery Options – Relationship between Future Prices, Forward Prices and Spot Prices.

UNIT III OPTIONS 10

Definition – Exchange Traded Options, OTC Options – Specifications of Options – Call and Put Options – American and European Options – Intrinsic Value and Time Value of Options –Option payoff, options on Securities, Stock Indices, Currencies and Futures – Options pricing models – Differences between future and Option contracts.

UNIT IV SWAPS 7

Definition of SWAP – Interest Rate SWAP – Currency SWAP – Role of Financial Intermediary– Warehousing – Valuation of Interest rate SWAPs and Currency SWAPs Bonds and FRNs –Credit Risk.

UNIT V DERIVATIVES IN INDIA 8

Evolution of Derivatives Market in India – Regulations - framework – Exchange Trading in Derivatives – Commodity Futures – Contract Terminology and Specifications for Stock Options and Index Options in NSE – Contract Terminology and specifications for stock futures and Index futures in NSE – Contract Terminology and Specifications for Interest Rate Derivatives.

TOTAL: 45 PERIODS

COURSE OUTCOMES:

1. Possess good skills in hedging risks using derivatives
2. Understand about future contract and options
3. Learning in depth about options and swaps
4. Knowing about the evolution of derivative markets
5. Develop in depth knowledge about stock options and index futures in NSE

REFERENCES:

1. John.C.Hull, Options, Futures and other Derivative Securities", PHI Learning, 9th Edition, 2012
2. Keith Redhead, „Financial Derivatives – An Introduction to Futures, Forwards, Options and SWAPs",– PHI Learning, 2011.
3. Stulz, Risk Management and Derivaties, Cengage Learning, 2nd Edition, 2011.
4. Varma, Derivaties and Risk Management, 2ndt Edition, 2011.
5. David Dubofsky – „Option and Financial Futures – Valuation and Uses, McGraw Hill International Edition.
6. S.L.Gupta, Financial Derivaties- Theory, Concepts and Practice, Prentice Hall Of India, 2011. Website of NSE, BSE.

BA4005 **FINANCIAL MODELLING** **L T P C**
3 0 0 3

COURSE OBJECTIVE:

- Making students to build financial models by including various fields of study viz Financial Management and Derivatives.

UNIT I INTRODUCTION TO FINANCIAL MODELLING & BUILT IN FUNCTIONS USING SPREAD SHEETS 9

Introduction to Financial Modelling- Need for Financial Modelling- Steps for effective financial modelling-Introduction to Time value of money & Lookup array functions :FV,PV,PMT,RATE,NPER, Vlookup, Hlookup ,if, countifetc - Time value of Money Models: EMI with Single & Two Interest rates –Loan amortisation modelling-Debenture redemption modelling

UNIT II BOND & EQUITY SHARE VALUATION MODELLING 9

Bond valuation – Yield to Maturity(YTM): Rate method Vs IRR method-Flexi Bond and Strip Bond YTM Modelling-Bond redemption modelling -Equity share valuation : Multiple growth rate valuation modelling with and without growth rates

UNIT III CORPORATE FINANCIAL MODELLING 9

Alt Man Z score Bankruptcy Modelling-Indifference point modelling – Financial Break even modelling -Corporate valuation modelling (Two stage growth)- Business Modelling for capital budgeting evaluation: Payback period ,NPV ,IRR and MIRR

UNIT IV PORTFOLIO MODELLING 9

Risk ,Beta and Annualised Return –Security Market Line Modelling –Portfolio risk calculation (Equal Proportions)-Portfolio risk optimisation (varying proportions)-Portfolio construction modelling

UNIT V DERIVATIVE MODELLING 9

Option pay off modelling: Long and Short Call & Put options -Option pricing modeling (B-S Model)- Optimal Hedge Contract modelling

TOTAL: 45 PERIODS

COURSE OUTCOMES:

1. Develop fast, efficient and accurate excel skills
2. Design and construct useful and robust financial modelling applications
3. Recognize efficient financial budgeting and forecasting techniques
4. Familiarise the students with the valuation modelling of securities
5. The course establishes the platform for students to develop various portfolio models

REFERENCES:

1. Wayne L Winston,” Microsoft Excel 2016-Data Analysis and Business Modelling ”,PHI publications, (Microsoft Press),New Delhi,2017.
2. Chandan Sen Gupta, ”Financial analysis and Modelling –Using Excel and VBA” , Wiley Publishing House ,2014’
3. Craig W Holden,”Excel Modelling in Investments” Pearson Prentice Hall, Pearson Inc,New Jersey,5th Edition 2015
4. Ruzhbeh J Bodanwala , ”Financial management using excel spread sheet”,Taxman Allied services Pvt Ltd, New Delhi,3rd Edition 2015.

BA4006 **INTERNATIONAL FINANCE**

L	T	P	C
3	0	0	3

COURSE OBJECTIVE:

- To understand the International Financial Environment, Management and Risks involved.

UNIT I INTERNATIONAL TRANSACTIONS 9

Overview and Evolution of International Finance –Institutions for International Finance – Internationalization process –International Monetary and Financial System – Balance of Payments – Exchange rate and money supply – International parity relations – Purchasing power parity – interest rate parity – Forward rate parity.

UNIT II MULTINATIONAL FINANCIAL MANAGEMENT 9

Process of overseas expansion – Reasons for cross-border investing – The theory of investment – techniques of project evaluation - Approaches for investment under uncertainty - FDI – Measuring and Managing Risk – International M&A – Financial Techniques in M&A – Regulations of M&A in major countries.

UNIT III INTERNATIONAL MONETARY SYSTEM 9

Introduction to Institutions of the Foreign Exchange Inter bank Market - Foreign Exchange Spot Transactions – forward market –– Hedging and Speculation - Hedging FX Transaction Exposure - The Eurocurrency market – international banking – structure and instruments

UNIT IV BORROWING AND LENDING : INTERNATIONAL SOURCES OF FINANCE 9

Bond Markets of various countries – Fixed and floating rate notes - Syndicate loans – Syndicated Eurocredits – ADR – GDR – Managing interest rate risk – Bond prices and yeils – Bond Management – tools and techniques

UNIT V INTERNATIONAL RISK ASSESSMENT AND OTHER INTERNATIONAL MARKETS 9

Country and political risk analysis – benefits and risks of international portfolio investment – assessing country creditworthiness – futures markets and instruments – option markets and instruments – option pricing – option pricing theory in financial risk assessment

TOTAL :45 PERIODS

COURSE OUTCOMES:

1. Learn about evolution, process and system of International Finance
2. Identify the concepts of international merger and acquisitions, financial techniques and regulations
3. Understand about international monetary system
4. Knowing about ADR, GDR and bond management
5. Explore the learning in international risk assessment

REFERENCES :

1. Apte P.G., International Financial Management, Tata McGraw Hill, 2011.
2. Jeff Madura, International Corporate Finance, Cengage Learning, 9th Edition, 2011.
3. Alan C. Shapiro, Multinational Financial Management, PHI Learning, 5th Edition, 2010.
4. Eunand Resnik, International Financial Management, Tata Mcgraw Hill, 5th Edition, 2011.
5. Website of Indian Government on EXIM policy

		L	T	P	C
BA4007	BEHAVIORAL FINANCE	3	0	0	3

COURSE OBJECTIVE :

- To identify and understand systematic behavioral factors that influences the investment behavior.

UNIT I INTRODUCTION: WHY BEHAVIORAL FINANCE 9

The role of security prices in the economy – EMH – Failing EMH – EMH in supply and demand framework – Equilibrium expected return models – Investment decision under uncertainty – Introduction to neoclassical economics and expected utility theory – Return predictability in stock market - Limitations to arbitrage

UNIT II DECISION AND BEHAVIORAL THEORIES 9

Nash Equilibrium: Keynesian Beauty Context and The Prisoner's Dilemma - The Monthy Hall Paradox - The St. Petersburg Paradox - The Allais Paradox - The Ellsberg Paradox - Prospects theory – CAPM - behavioral portfolio theory – SP/A theory – brief history on rational thought – pasacl – Fermat to Friedman - savage

UNIT III DECISION MAKING BIASES 9

Information screening bias - Heuristics and behavioral biases of investors – Bayesian decision making – cognitive biases – forecasting biases – emotion and neuroscience – group behaviour – investing styles and behavioral finance

UNIT IV ARBITRAGEURS 9

Definition of arbitrageur - Long-short trades - Risk vs. Horizon - Transaction costs and short-selling costs - Fundamental risk - Noise-trader risk - Professional arbitrage - Destabilizing informed trading

UNIT V MANAGERIAL DECISIONS 9

Supply of securities and firm investment characteristics (market timing, catering) by rational firms - Associated institutions - Relative horizons and incentives - Biased managers

TOTAL :45 PERIODS

COURSE OUTCOMES :

1. Understanding the need of behavioural finance
2. Knowing about various decision and behavioural theories
3. Learn about heuristic and behavioural biases of investors
4. Analyse and understand about arbitragers and managerial decision
5. Thorough understanding about the price discovery in markets\

REFERENCES :

1. Shleifer, Andrei (2000). Inefficient Markets: An Introduction to Behavioral Finance. Oxford, UK: Oxford University Press.
2. Daniel Kahneman, Paul Slovic, and Amos Tversky (eds.). (1982) Judgment under Uncertainty: Heuristics and biases, Oxford; New York: Oxford University Press.