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**SEMESTER III (GE 3)**

**Indian Capital Markets**

**(100 Marks – 60 Lectures)**

**Objective: To provide a comprehensive understanding of various operations, issues and developments in Indian capital markets.**

**Unit I Introduction to Indian Securities Markets (25 Marks-15 Lectures)**

Meaning of securities, role of securities markets, structure of securities markets and market segments, Capital market instruments, Capital market participants and intermediaries, Role of SEBI in Indian capital markets, Reforms in Indian Capital Markets, Major issues in Indian capital markets, Investor protection, Recent developments in Indian capital markets.

**Unit II Primary Markets (25 Marks-15 Lectures)**

1. Structure: Nature and functions of primary market, Categories of issuers in primary markets, Regulatory framework for primary markets, Types of investors in primary markets, Types of public issues – IPO, FPO, private placement and offer for sale, Public issue process and Book-Building, Allotment of shares.
2. Merchant banking: Meaning, nature and functions, Merchant Banking in India, Role in issue management, Classification and regulation of merchant bankers by SEBI.

**Unit III Secondary Markets (25 Marks-15 Lectures)**

Role and functions of secondary markets, Market structure and participants in secondary markets, Listing – Process and advantages; Stock market indices (BSE Sensex, NSE Nifty, sectoral indices) – Composition and computation – Overview of international exchanges and indices; Trading and settlement mechanism in Indian stock exchanges – BSE, NSE; Role of Clearing House, Internet trading, Risk management systems for secondary markets, Rights, obligations and grievance redressal mechanism for investors in secondary markets.

**Unit IV Derivatives Markets (25 Marks-15 Lectures)**

Key concepts with regard to derivatives, types of derivative products and their features, structure of the derivative markets, trading and settlement of derivatives, regulatory and risk management process for derivatives, use of derivatives in speculation, hedging and risk management, costs, benefits and risks of derivatives, key derivative market indicators.

References:

1. Chakrabarti, R., & De, S. (2010). *Capital Markets in India.* New Delhi: Sage Response.
2. Gordon, E., & Natarajan, K. (2015). *Financial Markets and Services* (Ninth ed.). New Delhi: Himalaya Publishing House.
3. Gurusamy, S. (2009). *Capital Markets* (Second ed.). New Delhi: Tata McGraw Hill.
4. Pandian, P. (2013). *Security Analysis and Portfolio Management* (Second ed.). New Delhi: Vikas Publishing House.
5. Patwari, D., & Bhargava, A. (2006). *Options & Furtures: An Indian Perspective.* New Delhi: Jaico Publishing House.
6. Ramesh Babu, G. (2014). *Capital Market in India.* New Delhi: Concept Publishing Co.

Journals:

Indian Journal of Finance

Indian Journal of Research in Capital Markets

Indian Journal of Economics and Research

Capital Markets

Vikalp

IIM – B Review

Websites:

[www.bseindia.com](http://www.bseindia.com)

[www.nseindia.com](http://www.nseindia.com)

[www.equitymaster.com](http://www.equitymaster.com)

[www.shodhganga.inflibnet.ac.in](http://www.shodhganga.inflibnet.ac.in)

[www.capitalmarket.com](http://www.capitalmarket.com)

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**SEMESTER IV**

**APPLIED COMPONENT**

**Financial Services**

**(100 Marks – 60 Lectures)**

**Objective: To develop an understanding of salient features and mechanisms of important financial services and recent developments and issues in Indian financial services sector.**

**Unit I Introduction to Financial Services (25 Marks- 15 Lectures)**

Meaning of Financial Services, Classification and types of financial services - asset/fund-based services and fee-based/advisory services, Importance of financial services; Constituents of financial services market, Growth and development of financial services in India, Problems of financial services sector in India.

**Unit II Depository Services (25 Marks- 15 Lectures)**

Meaning, Need for a depository system, Functions of a depository, Depositories in India - CDSL, NSDL; Depository participants (DPs) - Functions of Depository Participant – Dematerialization, Re-materialization, Account Opening, Transmission and nomination, Trading and settlement, Pledge and hypothecation, Corporate actions.

**Unit III Mutual Funds (25 Marks- 15 Lectures)**

Concept, Advantages and disadvantages of mutual fund investing, Structure of mutual funds in India, Classification of mutual funds, Mutual fund terminologies – Scheme, Portfolio, Net Asset Value (NAV), Load, Management fees; Portfolio management process of mutual funds, History and growth of mutual funds in India, SEBI regulations on mutual funds, AMFI.

**Unit IV Credit Rating & Securitization Services (25 Marks- 15 Lectures)**

1. Credit Rating - meaning, rating methodology, importance of credit rating; credit rating agencies in India CRISIL, CARE, ICRA, Small & Medium Enterprises Rating Agency (SMERA).
2. Securitization - Meaning, Features, Mechanism, Types, Benefits of Securitization, Process of Securitization, Issues in Securitization

**References:**

1. Gordon, E., & Natarajan, K. (2015). *Financial Markets and Services* (Ninth ed.). New Delhi: Himalaya Publishing House.
2. Gurusamy, S. (2009). *Financial Services* (Second ed.). New Delhi: Tata McGraw Hill.
3. Khan, M. Y. (2010). *Financial Services* (Fifth ed.). New Delhi: Tata McGraw Hill.
4. Pathak, B. (2009). *The Indian Financial System: Markets, Institutions and Services* (Second ed.). New Delhi: Pearson Education.
5. Ramesh Babu, G. (2005). *Financial Services in India.* New Delhi: Concept Publishing Company.

Journals:

International Journal of Financial Services Management

Journal of Private Equity

Journal of Applied Finance

Finance India

Indian Journal of Finance

Vikalpa

Websites:

<http://financialservices.gov.in/>

<https://vcexperts.com/>

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**SEMESTER III**

**Business Finance**

**(100 Marks, 60 Lectures)**

**UNIT I: Nature and Objectives of Business Finance (25 Marks 15 Lectures)**

Meaning of business finance, business finance v/s corporate finance, role of business finance in an organization, principles of business finance, meaning of financial planning, steps in financial planning, significance of financial planning, essential features of a good financial plan, types of financial plan.

**UNIT II: Classification of Capital** **(25 Marks-15 Lectures)**

Meaning of Capital, Classification of capital, factors determining capital requirements, meaning, features and sources of fixed capital, factors determining fixed capital requirements, importance of adequate fixed capital; meaning, features and sources of working capital, Factors determining working capital requirements, significance of adequate Working capital, types of working capital

**UNIT III: Capitalisation (25 Marks-15 Lectures)**

Meaning of capitalization, Theories of capitalization, Cost theory v/s Earnings theory, overcapitalization and under capitalization, meaning, causes, effects and remedies; overcapitalization v/s under capitalization; balanced capitalization, meaning and importance

**UNIT IV:** **Capital Structure (25 Marks–15 Lectures)**

Concept of capital structure, Meaning and importance of capital structure, factors affecting capital structure, concept of financial structure, capital gearing, meaning, types and advantages, trading on equity, meaning, types and advantages and limitations.

**References:**

**Books**

1. Sharma, R.K. & Gupta, Shashi., K. *Business Organisation and Management*
2. Srivastava, R.M. *Essentials of Business Finance*, Himalaya Publishing House, Kalyani Publications.
3. Singh, Preeti. Investment Management. Himalaya Publishing House
4. Kale, N.G. *Business Organisation.* Manisha Publications.
5. Sontakki C.N., *Business Organisation*, Seth Publishers
6. Gordon, E. & Natarajan, K. Financial Markets and Institutions, Himalaya Publishing House.
7. Sadak, H. *Mutual Funds in India*, Response Books, Sage Publications.

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**SEMESTER IV**

**FUNDAMENTALS OF INVESTMENT (CC)**

**(100 Marks, 60 Lectures)**

**Objective:** **To familiarize the students with different investment alternatives, introduce them to the framework of their analysis and valuation and highlight the role of investor protection.**

**Unit I Investment Environment (30 Marks, 20 Lectures)**

The investment decision process, Types of Investments – Commodities, Real Estate and Financial Assets (Equity, Mutual funds, Debt), the Indian securities market, the market participants (Stock exchanges, Stock brokers, Clearing House, Depositories, Depository Participants, FIIs, Domestic institutional investors, Individual investors), Online and offline trading in securities, security market indices, sources of financial information, Concept of return and risk, Impact of Taxes and Inflation on returns.

**Unit II Analysis of Equity and Debt Instruments (30 Marks, 20 Lectures)**

1. **Fixed Income Securities**

Bond features, types of bonds, estimating bond yields, Bond Pricing, types of bond risks, default risk and credit rating, Bond market indices.

1. **Approaches to Equity Analysis**

Introduction to Fundamental Analysis, Technical Analysis, dividend capitalisation models, and price-earnings multiple approach to equity valuation, Intrinsic value, Price to Book value ratio.

**Unit III Portfolio Analysis and Financial Derivatives (20 Marks, 10 Lectures)**

Portfolio and Diversification, Portfolio Risk and Return; Mutual Funds; Introduction to Financial Derivatives; Financial Derivatives Markets in India

**Unit IV: Investor Protection (20 Marks, 10 Lectures)**

Role of SEBI and stock exchanges in investor protection; Investor grievances and their redressal system, insider trading, investor awareness and activism.

**References:**

1. Jones, C.P. *Investments Analysis and Management*, Wiley, 8th ed.

2. Chandra, Prasanna. *Investment Analysis and Portfolio Management.* McGraw Hill Education

3. Rustogi, R.P. *Fundamentals of Investment*. Sultan Chand & Sons, New Delhi.

4. Vohra N.D. & Bagri B.R., *Futures and Options,* McGraw Hill Education

5. Mayo. An *Introduction to Investment*. Cengage Learning.

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**SEMESTER V**

**DISCIPLINE SPECIFIC ELECTIVE**

**BUSINESS MANAGEMENT**

**Financial Management**

**(100 marks- 60 lectures)**

**Objectives :  To familiarize the students with concepts, role and techniques of financial management in firms and provide an insight into various decisions in management of corporate finance.**

**UNIT I An Introduction to Financial Management (25 marks-10 lectures)**

Meaning of Financial Management, scope and objectives of Financial Management, profit maximization v/s wealth maximization; Role & responsibilities of Financial Manager, measuring shareholders value creation, International Financial Management – meaning, forms of financial capital, importance, merits.

**UNIT II Cost of Capital & its Measurement (25 marks-15 lectures)**

Meaning of cost of capital, importance of cost of capital, types- historical cost, future cost, explicit cost, implicit cost, specific cost and composite cost; measuring cost of capital: cost of Debt, cost of Preference capital, cost of Equity share capital:- ( *4 approaches- D/P ratio, E/P ratio, E/P ratio + growth ratio, realized yield approach*); cost of retained earnings and weighted average cost of capital.

**UNIT III Capital Budgeting ( 25 marks- 20 lectures )**

Meaning and nature of Capital Budgeting; importance of Capital Budgeting decisions; Capital Budgeting process; kinds of Capital Budgeting decisions ( *Accept- reject decisions, mutually exclusive project decisions, capital rationing decision*s); project classification ( *mandatory investment, new projects, replacement projects, expansion projects, diversification projects, research and development projects and miscellaneous projects* ); investment criteria, methods of appraising capital expenditure proposals :

1. Non discounting criteria
2. Pay Back Period method 2. Average/ Accounting Rate of Return method
3. Discounting criteria
4. Net Present Value method 2. Internal Rate of Return method 3. Profitability Index

**UNIT IV Capital Structure Decisions (25 marks – 15 lectures )**

1. Meaning of capital structure, importance of capital structure and optimum capital structure, risk – return trade off, capital structure theories:- ( *Net Income Approach, Net Operating Income Approach, Traditional Approach* ) features of a sound / optimum capital mix, factors determining capital structure.
2. Leverages- meaning and types:
3. Financial leverage & its features
4. Operating leverage & its features
5. Combined leverage

Problems on:

1. Cost of capital and its measurement
2. Capital budgeting – only 3 methods i.e Pay Back Period method, Average/ Accounting Rate of Return method, Net Present Value method.
3. Leverages- Financial leverage, Operating leverage, Combined leverage

**Books for study and reference:**

1. Chandra, Prasanna. *Financial Management, Theory & Practice*. Tata McGraw Hill
2. Pandey I. M. *Financial Management*. Vikas Publishing House
3. Khan & Jain. *Financial Management.* Tata McGraw Hill
4. Kuchal, S.C. *Financial Management.* Chaitanya Publishing House
5. Sharma & Gupta, Shashi*. Financial Management*. Kalyani Publishers
6. Vanhorne, James C. *Fundamentals Of Financial Management.* Prentice Hall Of India
7. Phatak. *Indian Financial System,*
8. Singh, Preeti. *Investment Management.* Himalaya Publishing House
9. G. Sudarshana, Reddy. *Financial Management- Principles and Practice.* Himalaya Publishing House
10. Tulsian, P.C. *Financial Management.* S. Chand & Co Ltd
11. Shavam,Vyuptakesh*. Fundamentals Of Financial Management*. Pearson

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**SEMESTER VI**

**DISCIPLINE SPECIFIC ELECTIVE**

**BUSINESS MANAGEMENT**

**Financial Management**

**(100 Marks- 60 Lectures)**

**UNIT I Dividend Policy (25 marks-15 lectures)**

Meaning of dividend & dividend policy, determinants of dividend policy- dividend payout ratio, stable dividends & the other determinants; forms of dividends ( cash dividend, scrip dividend, stock dividend, property dividend ). Types of dividend- interim dividend and final dividend. Models in which investment & dividend decisions are related;

1. Walter’s model and Gordon’s model
2. M.M. Hypothesis ( Modigliani and Miller )

**UNIT II: Working Capital Management (25 marks-15 lectures)**

Nature & concept of working capital, importance of working capital, types of working capital, determinants of working capital, sources of working capital ( in brief ), estimation and computation of working capital.

**UNIT III : Management of Cash. (25 marks-15 lectures)**

1. Cash management- introduction, objectives; motives of holding cash, factors determining cash needs, strategies employed to manage cash needs, techniques for speedy cash collection and techniques for slowing disbursements. Preparation of cash budget. ( simple problems on the Receipt and Payments method)
2. Receivables management- introduction, objectives of Receivables management, cost associated with accounts receivables, factors influencing the size of receivables; decision areas in Receivables management- credit policies, credit terms and collection policies.

**UNIT IV Inventory management (25 marks-15 lectures)**

Introduction, objectives, motives of holding inventory, cost & benefits of holding inventory, techniques of inventory ,management-

1. ABC analysis
2. EOQ ( problems on the formula method)
3. VED analysis
4. Various levels of stores: (a). re order level (b). minimum level (c) maximum level (d) average level
5. Inventory turnover ratio
6. Just in time ( JIT ) inventory control system- objectives, features, advantages.

Problems on

1. Estimation of working capital
2. Cash budget ( simple problems on the Receipt and Payments method)
3. Techniques of inventory management- EOQ & various levels of inventory.

**Books for study and reference:**

1. Chandra, Prasanna. *Financial Management, Theory & Practice*. Tata McGraw Hill
2. Pandey I. M. *Financial Management*. Vikas Publishing House
3. Khan & Jain. *Financial Management.* Tata McGraw Hill
4. Kuchal, S.C. *Financial Management.* Chaitanya Publishing House
5. Sharma & Gupta, Shashi*. Financial Management*. Kalyani Publishers
6. Vanhorne, James C. *Fundamentals Of Financial Management.* Prentice Hall Of India
7. Phatak. *Indian Financial System,*
8. Singh, Preeti. *Investment Management.* Himalaya Publishing House
9. G. Sudarshana, Reddy. *Financial Management- Principles and Practice.* Himalaya Publishing House
10. Tulsian, P.C. *Financial Management.* S. Chand & Co Ltd
11. Shavam,Vyuptakesh*. Fundamentals Of Financial Management*. Pearson