

BHARATHIAR UNIVERSITY: COIMBATORE – 641 046  
 SCHOOL OF DISTANCE EDUCATION (SDE)  
 for the SDE students admitted during the academic year 2011-12 & Onwards

**M.B.A - Financial Services**  
**(Annual Pattern)**

<b><u>Paper</u></b>	<b><u>Name of the Subject</u></b>	<b><u>Marks</u></b>
<b>First Year</b>		
1.1	Principles of Management and Organisational Behaviour	100
1.2	Managerial Economics	100
1.3	Accounting and Finance for Managers	100
1.4	Marketing Management	100
1.5	Human Resource Management	100
1.6	Quantitative Techniques for Management	100
1.7	Research Methods for Management	100
1.8	Corporate Communication	100
1.9	Operations Management	100
<b>Second Year</b>		
2.1	Marketing of Financial Services	100
2.2	Mutual Funds and Merchant Banking	100
2.3	Legal aspects of financial services	100
2.4	Mergers and Acquisitions	100
2.5	Financial Intermediaries, Financial Institutions and Regulators	100
2.6	Risk Management & Insurance	100
2.7	Treasury Management	100
2.8	Business Environment and Ethics	100
2.9	Strategic Management	100
<b>TOTAL</b>		<b>1800</b>

## **1.1.Principles of Management and Organizational Behaviour**

### **UNIT I**

Management : Science, Theory and Practice - The Evolution of Management Thought and the Patterns of Management Analysis - Management and Society : Social Responsibility and Ethics - Global and Comparative Management - The Basis of Global Management – Functions of Management-The Nature and Purpose of Planning - Objectives - Strategies, Policies and Planning Premises - Decision Making - Global Planning.

### **UNIT II**

The Nature of Organizing - Organizational Structure : Departmentation - Line/Staff Authority and Decentralization - Effective Organizing and Organizational Culture - Global Organizing. Co-ordination functions in Organisation - Human Factors and Motivation - Leadership - Committees and group Decision Making - Communication - Global Leading.

### **UNIT III**

The System and Process of Controlling - Control Techniques and Information Technology - Global Controlling and Global Challenges – Direction Function – Significance.

### **UNIT IV**

Organisational Behaviour : History - evolution, Challenges & opportunities, contributing disciplines, management functions and relevance to Organisation Behaviour. Organizational Behaviour responses to Global and Cultural diversity.

Personality - Determinants, structure, behaviour, assessment, psycho-analytical social learning, job-fit, trait theories.

Emotions and Emotional Intelligence as a managerial tool. Attitudes - relationship with behaviour, sources, types, consistency, work attitudes, values - importance, sources, types, ethics and types of management ethics. Perception - Process, Selection, Organisation Errors, Managerial implications of perception. Learning - classical, operant and social cognitive approaches. Implications of learning on managerial performance.

### **UNIT V**

Stress - Nature, sources, Effects, influence of personality, managing stress- Conflict - Management, Levels, Sources, bases, conflict resolution strategies, negotiation. Foundations of group behaviour : team decision making. Issues in Managing teams.

Organisational change - Managing planned change. Resistance to change - Approaches to managing organisational change - Organisational Development - values - interventions, change management- Organisational culture - Dynamics, role and types of culture and corporate culture.

### **REFERENCE**

1. Koontz & Weirich, Essentials of Management, Tata McGraw Hill Publishing Company, New Delhi.
2. Stoner, Freeman & Gilbert, Management, PHI, 6<sup>th</sup> Edition.
3. Robbins.S.P., Fundamentals of Management, Pearson, 2003.
4. Robbins.S. Organisational Behaviour, X edn., Prentice-Hall, India.
5. Umasekaran, Organisational Behaviour.
6. VSP Rao, V Hari Krishna – Management: Text and Cases, Excel Books, I Edition, 2004

## **1.2. Managerial Economics**

### **UNIT I**

Managerial Economics - meaning, nature and scope - Managerial Economics and business decision making - Role of Managerial Economist - Fundamental concepts of Managerial Economics- Demand Analysis - meaning, determinants and types of demand - Elasticity of demand.

### **UNIT II**

Supply meaning and determinants - production decisions - production functions - Isoquants, Expansion path - Cobb-Douglas function.  
Cost concepts - cost - output relationship - Economies and diseconomies of scale - cost functions.

### **UNIT III**

Market structure - characteristics - Pricing and output decisions - methods of pricing - differential pricing - Government intervention and pricing.

### **UNIT IV**

Profit - Meaning and nature - Profit policies - Profit planning and forecasting - Cost volume profit analysis - Investment analysis.

### **UNIT V**

National Income - Business cycle - inflation and deflation - balance of payments - Monetary and Fiscal Policies

### **REFERENCE**

1. Joel Dean - Managerial Economics, Prentice Hall/Pearson.
2. Rangarajan - Principles of Macro Economics, Tata McGraw Hill.
3. Athmanand.R., Managerial Economics, Excel, New Delhi, 2002.
4. P.L.Mehta, Managerial Economics, S.Chand and Sons Company Ltd., New Delhi, 2004.
5. Peterson Lewis, Managerial Economics, Prentice Hall of India, New Delhi, 2002.

## **1.3. Accounting and Finance for Managers**

### **UNIT I**

Financial Accounting - Definition - Accounting Principles - Concepts and conventions - Trial Balance – Final Accounts (Problems) - Depreciation Methods-Straight line method, Written down value method.

### **UNIT II**

Financial Statement Analysis - Objectives - Techniques of Financial Statement Analysis: Accounting Ratios: construction of balance sheet using ratios (problems)-Dupont analysis. Fund Flow Statement - Statement of Changes in Working Capital - Preparation of Fund Flow Statement - Cash Flow Statement Analysis- Distinction between Fund Flow and Cash Flow Statement. Problems

### **UNIT III**

Cost Accounting - Meaning - Distinction between Financial Accounting and Cost Accounting - Cost Terminology: Cost, Cost Centre, Cost Unit - Elements of Cost - Cost Sheet - Problems. Budget, Budgeting, and Budgeting Control - Types of Budgets - Preparation of Flexible and fixed Budgets, master budget and Cash Budget - Problems -Zero Base Budgeting.

Marginal Costing - Definition - distinction between marginal costing and absorption costing - Break even point Analysis - Contribution, p/v Ratio, margin of safety - Decision making under marginal costing system-key factor analysis, make or buy decisions, export decision, sales mix decision-Problems

### **UNIT IV**

Objectives and functions of Financial Management - Role of Financial Management in the organisation - Risk-Return relationship- Time value of money concepts - Indian Financial system - Legal, Regulatory and tax framework. Sources of Long term finance - Features of Capital market development in India - Role of SEBI in Capital Issues. Capital Budgeting - methods of appraisal - Conflict in criteria for evaluation - Capital Rationing - Problems - Risk analysis in Capital Budgeting.

### **UNIT V**

Cost of Capital - Computation for each source of finance and weighted average cost of capital -EBIT -EPS Analysis - Operating Leverage - Financial Leverage - problems. Capital Structure Theories - Dividend Policies - Types of Divided Policy. Working Capital Management - Definition and Objectives - Working Capital Policies - Factors affecting Working Capital requirements - Forecasting Working Capital requirements (problems) - Cash Management - Receivables Management and - Inventory Management - Working Capital Financing - Sources of Working Capital and Implications of various Committee Reports.

### **REFERENCE**

1. Advanced Accountancy - R.L.Gupta and Radhaswamy
2. Management Accounting - Khan and Jain
3. Management Accounting - S.N.Maheswari
4. Prasanna Chandra, "Financial Management – Theory and Practice", Tata McGraw Hill, New Delhi (1994).
5. I.M.Pandey, "Financial Management", Vikas Publishing, New Delhi.

Note : 80% of the questions shall be theory based  
20% of the questions shall be problems.

## **1.4. Marketing Management**

### **UNIT I**

Marketing Concepts and Tasks, Defining and delivering customer value and satisfaction - Value chain - Delivery network, Marketing environment, Adapting marketing to new liberalised economy - Digitalisation, Customisation, Changing marketing practices, e-business - setting up websites; Marketing Information System, Strategic marketing planning and organization.

### **UNIT II**

Buyer Behaviour, Market Segmentation and Targeting, Positioning and differentiation strategies, Product life cycle strategies, New product development, Product Mix and Product line decisions, Branding and Packaging, Price setting - objectives, factors and methods, Price adapting policies, Initiating and responding to price changes.

### **UNIT III**

Marketing channel system - Functions and flows; Channel design, Channel management - Selection, Training, Motivation and evaluation of channel members; Channel dynamics - VMS, HMS, MMS; Market logistics decisions.

### **UNIT IV**

Integrated marketing communication process and Mix; Advertising, Sales promotion and Public relation decisions. Direct marketing - Growth, Benefits and Channels; Telemarketing; Salesforce objectives, structure, size and compensation.

### **UNIT V**

Identifying and analysing competitors, Designing competitive strategies for leaders, challengers, followers and nichers : Customer Relationship marketing - Customer database, Data warehousing and mining. Attracting and retaining customers, Customerism in India, Controlling of marketing efforts.

Global Target market selection, standardization Vs adoption, Product, Pricing, Distribution and Promotional Policy.

### ***REFERENCE***

1. Marketing Management - Philip Kotler - Pearson Education/PHI, 2003.
2. Marketing Management - Rajan Saxena - Tata McGraw Hill, 2002.
3. Marketing Management - Ramasamy & Namakumari - Macmillan India, 2002.
4. Case and Simulations in Marketing - Ramphal and Gupta - Goltatia, Delhi.
5. Marketing Management – S.Jayachandran - TMH, 2003.

## **1.5. Human Resource Management**

### **UNIT I: Human Resource Function**

Human Resource Philosophy – Changing environments of HRM – Strategic human resource management – Using HRM to attain competitive advantage – Trends in HRM – Organisation of HR departments – Line and staff functions – Role of HR Managers.

## **UNIT II: Recruitment & Placement**

Job analysis : Methods - IT and computerised skill inventory - Writing job specification - HR and the responsive organisation.

Recruitment and selection process : Employment planning and forecasting - Building employee commitment : Promotion from within - Sources, Developing and Using application forms - IT and recruiting on the internet.

Employee Testing & selection : Selection process, basic testing concepts, types of test, work samples & simulation, selection techniques, interview, common interviewing mistakes, Designing & conducting the effective interview, small business applications, computer aided interview.

## **UNIT III: Training & Development**

Orientation & Training: Orienting the employees, the training process, need analysis, Training techniques, special purpose training, Training via the internet.

Developing Managers: Management Development - The responsive managers - On-the-job and off-the-job Development techniques using HR to build a responsive organisation. Management Developments and CD-Roms - Key factor for success.

Performance appraisal: Methods - Problem and solutions - MBO approach - The appraisal interviews - Performance appraisal in practice.

Managing careers: Career planning and development - Managing promotions and transfers.

## **UNIT IV: Compensation & Managing Quality**

Establishing Pay plans : Basics of compensation - factors determining pay rate - Current trends in compensation - Job evaluation - pricing managerial and professional jobs - Computerised job evaluation.

Pay for performance and Financial incentives : Money and motivation - incentives for operations employees and executives - Organisation wide incentive plans - Practices in Indian organisations.

Benefits and services : Statutory benefits - non-statutory (voluntary) benefits - Insurance benefits - retirement benefits and other welfare measures to build employee commitment.

## **UNIT V: Labour relations and employee security**

Industrial relation and collective bargaining : Trade unions - Collective bargaining - future of trade unionism. Discipline administration - grievances handling - managing dismissals and separation.

Labour Welfare : Importance & Implications of labour legislations - Employee health - Auditing HR functions, Future of HRM function.

**REFERENCE**

1. Gary Dessler, "Human Resource Management", Seventh edition, Prentice-Hall of India P.Ltd., Pearson.
2. David A. DeCenzo & Stephen P. Robbins, Personnel/Human Resource Management, Third edition, PHI/Pearson.
3. VSP Rao, Human Resource Management: Text and cases, First edition, Excel Books, New Delhi - 2000.
4. Dr. R.Venkatapathy & Assissi Menacheri, Industrial Relations & Labour Welfare, Adithya Publications, CBE, 2001.
5. Robert L. Gibson and Marianne H. Mitchell, Introduction to Counseling and Guidance, VI edition, PHI, 2005.

**1.6. Quantitative Techniques for Management****UNIT I**

QT – Introduction – Measures of Central Tendency – Mean, Median, Mode.

Mathematical Models – deterministic and probabilistic – simple business examples – OR and optimization models – Linear Programming – formulation – graphical solution – simplex – solution.

**UNIT II**

Transportation model – Initial Basic Feasible solutions – optimum solution for non – degeneracy and degeneracy model – Trans-shipment Model – Assignment Model – Travelling Salesmen problem.

**UNIT III**

Network Model – networking – CPM – critical path – Time estimates – critical path – crashing, Resource levelling, Resources planning. Waiting Line Model – Structure of model – M/M/1 for infinite population.

**UNIT IV**

Probability – definitions – addition and multiplication Rules (only statements) – simple business application problems – probability distribution – expected value concept – theoretical probability distributions – Binomial, Poisson and Normal – Simple problems applied to business.

**UNIT V**

Inventory Models – Deterministic – EOQ – EOQ with Price Breaks – Probabilistic Inventory Models - Probabilistic EOQ model – Game theory-zero sum games: Arithmetic and Graphical Method.

Simulation – types of simulation – Monte Carlo simulation – simulation problems. Decision Theory – Pay off tables – decision criteria – decision trees.

**REFERENCE**

1. Statistics for Management – Richard L Levin & Daid S Rubin
2. Statistical Methods – S P Gupta
3. Operations Research – Kanti Swarup, Gupta And Man Mohan
4. Operations Research – Dr. J.K. Sharma Macmillan Indian Ltd.
5. U.K. Srivastava, G.V. Shenoy, S. C. Sharma, “Quantitative Techniques for Managerial Decision”, Second Edition, Prentice Hall of India

Note : 80% of the questions shall be theory based  
20% of the questions shall be problems.

### **1.7. Research Methods for Management.**

#### **UNIT I**

Research - meaning - scope and significance - Types of research - Research Process - Characteristics of good research - Scientific method - Problems in research - Identifying research problem – concepts, constructs and theoretical framework.

#### **UNIT II**

Hypothesis:- meaning - sources - Types - formulation Research design - Types - case study - features of good design - measurement - meaning - need Errors in measurement - Tests of sound measurement Techniques of measurement - scaling Techniques - meaning - Types of scales - scale construction techniques.

#### **UNIT III**

Sampling design - meaning - concepts - steps in sampling - criteria for good sample design - Types of sample designs - Probability and non-probability samples. Data collection:- Types of data - sources - Tools for data collection methods of data collection - constructing questionnaire - Pilot study - case study - Data processing:- coding - editing - and tabulation of data - Data analysis.

#### **UNIT IV**

Test of Significance:- Assumptions about parametric and non-parametric tests. Parametric Test - T test, F Test and Z test - Non Parametric Test - U Test, Kruskal Wallis, sign test. Multivariate analysis-factor, cluster, MDS, Discriminant analysis. (NO Problems). SPSS and its applications.

#### **UNIT V**

Interpretation - meaning - Techniques of interpretation - Report writing:- Significance - Report writing:- Steps in report writing - Layout of report - Types of reports - Oral presentation - executive summary - mechanics of writing research report - Precautions for writing report - Norms for using Tables, charts and diagrams - Appendix:- norms for using Index and Bibliography.

#### **REFERENCE**

1. Rao K.V. Research methods for management and commerce - sterling
2. Zikmund, Business Research Methods
3. Kothari C.R.- Research methodology
4. Donald R.Cooper and Pamela S.Schindler - Business Research Methods - Tata McGraw Hill.
5. Uma Sekaran, Research Methods for Business, Wiley Publications.

Note : 80% of the questions shall be theory based  
20% of the questions shall be problems.



## **1.8. CORPORATE COMMUNICATION**

### **Unit 1:**

Communication basics – Business Communication – components – Types – formal communication network – Work team communication – variables – goal – conflict resolution – non – verbal communication – Cross cultural communication – Business meetings – Business Etiquette.

### **Unit 2:**

Understanding Corporate Communication – Employee Communication – Managing Government Relations – Writing for Media and Media Relations

### **Unit 3:**

Corporate Communication in Brand Promotion – Financial Communication – Crises Communication.

### **Unit 4:**

Report writing: Characterizing & business reports – Types and forms & reports – Project proposals – collection of data – tables constitution – charts – writing the report – documenting the sources – proof reading.

### **Unit 5:**

Business Presentation: Written and oral presentation – work – team presentation – Delivering the business presentation visual aids – slides – electronic presentation – hand-outs – delivering the presentation – career planning – preparing Resume – job applications – preparation for a job interview – employment interviews – follow-up.

### **References:**

1. Scot Ober, Contemporary business communication, fifth edition, biztantra.
2. Lesiler & Flat lay, Basic Business communication. Tata Mc Graw Hill.

## **1.9. OPERATIONS MANAGEMENT**

**UNIT I :** Operations Management – Meaning – Importance – historical contributions – System view of OM - Operation strategy and competitiveness - Functions of OM – types of production systems

**UNIT II :** Product design and process selection – Evaluation and Selection of appropriate Production and Operations technology. Product Design and process selection. Types of layout – analysis and selection of layout – Product and / or Process layout, Cellular, Lean and Agile manufacturing systems – Computer Integrated Manufacturing Systems - Assembly line balancing.

**UNIT III :** Production planning and control – meaning – functions – aggregate planning –

master production schedule (MPS) – Material requirement planning (MRP) – BOM – Capacity requirement planning (CRP) – Techniques – problems in MRP and CRP – an introduction to MRP II and ERP – Business Process Re-engineering - Total Productive Maintenance (TPM)

**UNIT IV :** Materials management – functions – material planning and budgeting – Value Analysis - purchase functions and procedure - inventory control – types of inventory – safety stock – order point – service level – inventory control systems – perpetual – periodic – JIT – KANBAN.

**UNIT V :** Total Quality Management Concept - Statistical Quality Control for Acceptance Sampling and Process Control – Concepts of O.C.C. Curve – Use of the O.C. Curve – Concept of Type I and Type II error – Quality movement – Quality circles — ISO Quality Certifications and types – Quality assurance – Six Sigma concept.

**References :**

1. Production and Operations Management – Everest E Adam & Ebert – PHI – publication forth edition.
2. Operations Management (Theory and Problems ) – Joseph G Monks – McGraw Hill Intl.
3. Production and Operations Management – S N Chary – TMH Publications
4. Production and Operations Management – Pannerselvam, PHI
5. Lee J. Krajewski and Larry P. Ritzman, “Operations Management: Process and value Chains”, 7th Edition, PHI, 2007
6. Hunawalla and Patil – production and Operations Management, Himalaya.
7. Modern Production and operations management – E.S Buffa.
8. Lee J. Krajewski and Larry P. Ritzman, “ Operations Management: Strategy and Analysis”, Addison Wesley.
9. Chase, Aquilano & Jacobs “Production and Operations Management”,Tata McGraw Hill.

Questions : 40% of the questions shall be problems  
60% of the questions shall be theory based.

**II Year**

**2.1. MARKETING OF FINANCAIL SERVICES**

**OBJECTIVE**

To equip students about strategy, mix and promotion of Financial Services.

**UNIT I**

Categories of financial products - Insurance, Banks, Stocks, Mutual Funds, Pension plans, other savings products - The financial services marketing environment- The distinctive aspects of services marketing; micro and macro environmental forces; new developments and trends.

## UNIT II

Marketing strategy - Planning, organizing and implementing marketing operations; marketing as a management function, Market research-Establishing a marketing information system; the marketing research process, Market segmentation – Target marketing; market segmentation, targeting and positioning the financial services organization in the marketplace.

## UNIT III

The marketing Mix: Product strategy; new product development; product life cycle, pricing considerations and strategies, Distribution channels; the impact of technology; on-line marketing; multiple channel strategies.

## UNIT IV

Promotion Strategies; advertising, sales promotion, public relations; sponsorship; the internet as a promotion tool, People in the marketing mix; personal selling and sales force management; the selling process, Physical evidence and processes customer care, The dimensions of customer care; service quality and service recovery; global marketing.

## UNIT V

Regulations governing financial services marketing, Ethical issues in the marketing of financial services, Ethics in relation to the individual and society as a whole.

## REFERENCE BOOKS

1. Marketing Financial services-Hooman Estelami.
2. The Financial Services Handbook-Evelyn enrich & Duk Fanelli.
3. Marketing Financial Services – Elsevier.

## 2.2. MUTUAL FUNDS AND MERCHANT BANKING

### OBJECTIVE

To explain mutual funds and merchant banking Industry in Indian.

### UNIT I

Mutual funds: Concept – Different schemes – Advantages – UTI : Objective-functions – regulation – role of UTI in industrial finance.

### UNIT II

History of Mutual fund Industry in India – Formation and organization – fund accounting and valuation – Portfolio management – Performance measurement and evaluation of mutual fund schemes – unit holders protection.

### UNIT III

Merchant banking: Concept – function – Growth – Merchant Banking in Indian – Policy measures – Institutional Structure – Functions of Merchant Banking – Legal and Regulatory Frameworks – Relevant Provisions of companies Act – SEBI guidelines – FEMA etc. – Relation with Stock Exchanges, OTCEI and NSE.

**UNIT IV**

Issue Management: Role of Merchant Banker in Appraisal of Projects, Designing Capital Structure and Instruments – Issue Pricing – Pricing – Preparations of Prospectus Selection of Bankers, Advertising Consultants, etc. – Role of Registrars – Underwriting Arrangements. Dealing with Bankers to the Issue, Underwriters, Registrars, and Brokers.

**UNIT V**

Offer for Sale – Book – Building – Green Shoe Option – E-IPO Private Placement – Bought out deals – Placement with FIs, MFs, FIIs, etc. off – Shore Issues. – Issue Marketing – Advertising Strategies – NRI Marketing – Post Issue Activities.

**REFERENCE BOOKS**

1. E.Gordon, K.Natarajan, Emerging Scenario of Financial Services, Himalaya Publishing House, Mumbai.
2. Mutual funds in India: Marketing strategies and investment practices, H Sadhak.
3. Merchant Banking: Principles and Practice by H.R.Machiraju, New Age International (P) Limited, New Delhi, 1995.
4. Merchant banking and financial services, S.Gurusamy, Thomson South – Western.
5. M.Y.Khan, “Financial Services” – Tata McGraw Hill, 3<sup>rd</sup> Edition, 2005.
6. Machiraju, Indian Financial System – Vikas Publishing House, 2<sup>nd</sup> Edition, 2002.
7. J.C.Verma, ‘A Manual of Merchant Banking’, Bharath Publishing House, New Delhi, 2001.
8. Sadhale H., ‘Mutual Funds in India’, Sage, New Delhi 1997.

**2.3. LEGAL ASPECTS OF FINANCIAL SERVICES****OBJECTIVE**

To Sensitize students with legal aspects of Finance Industry.

**UNIT I**

Financial services – need for financial services, various types of financial service: Fund based and Non-Fund based. Characteristics and role of financial intermediaries. Depository Institutions and financial services. Non-Depository institutions and their role. Role of governance and regulatory bodies.

**UNIT II**

Financial Services and non depository institutions. Merchant Banking, Factoring, Forfeiting Leasing, Securitization, Custodian Services, Credit Rating Mortgages. Mutual Funds – Performance, evaluation of mutual funds, Depository services – legal aspects SEBI governance.

**UNIT III**

Insurance: insurable and non-insurable risk. Types of insurable risks. Benefit of insurance to project planners. Benefits and limitations of Risk Management Policy.

#### UNIT IV

Mergers and Acquisitions – SEBI guidelines on Mergers, Acquisitions and Takeover.

#### UNIT V

Other financial services – Venture Capital, Bill Discounting - legal aspects.

#### REFERENCE BOOKS

1. Machiraju, H.R., Merchant Banking, Wheeler Publishing, 2003.
2. Verma J.C., Guide to Mutual Fund – Portfolio – Law, Practice and Procedures, Bharat Law House, 2002.
3. Kothari V., Lease Financing, Hire Purchase including Consumer Credit, Wadhera and Co., 2002.
4. Khan M.Y., Financial Services, Tata McGraw Hill, New Delhi, 1997.
5. Verma J.C., Venture Capital Financing in India, Sage, New Delhi, 1997.
6. Sadhale H., Mutual Funds in India, sage, New Delhi, 1997.
7. Lalit K.Bansal, Mutual Funds: Management and Working, Deep & Deep Publication, New Delhi.
8. Gordon and Natarajan, Financial Services, Himalaya Publishing, 1997.

### 2.4. MERGERS AND ACQUISITIONS

#### OBJECTIVE

To explain how mergers and acquisitions are done.

#### UNIT I

Mergers and Amalgamations: Concepts, need and reasons, legal aspects, procedural aspects relating to commencing of meetings and presentation of petition including documentation, economic aspects including effect on the interest of small investors; accounting aspects, financial aspects including valuation of shares, taxation aspects, stamp duty and allied matters, filing of various forms. Revival and Restructuring of Sick Companies.

#### UNIT II

Takeovers: Meaning and concept, types of takeovers, legal aspects – SEBI takeover regulations, procedural aspects, economic aspects, financial aspects, accounting aspects, taxation aspects, stamp duty and allied matters, payment of consideration, bail out takeovers, takeover of sick units.

#### UNIT III

Funding of Mergers and Takeovers: Financial alternatives, merits and demerits, funding through various types of financial instruments including preference shares, non-voting shares, buy-back of shares, hybrids, options and securities with differential rights, employer stock options and securities with different rights, takeover finance, ECBs, funding through financial institutions and banks, rehabilitation finance, management buyouts. Valuation of Shares and Business: Introduction, need and purpose; factors influencing valuation; methods of valuation.

**UNIT IV**

Corporate Demergers / Splits and Divisions: Difference between demerger and reconstruction; modes of demerger – by agreement, under scheme of arrangement, by voluntary winding up; tax aspects, tax reliefs, Indian scenario, reverse mergers. Post Merger Re-organization – Accomplishment of objectives – criteria of success, profitability, gains to shareholders; post merger valuation; measuring post merger efficiency; factors in post merger reorganization.

**UNIT V**

Financial Restructuring: Buy-back of shares – concept and necessity; SEBI guidelines; Government's guidelines, procedure and practice for buy-back of shares. Alliances Integrating alliances into corporate strategy; preparing for alliance, cross cultural alliances; implementing and managing the alliances.

**REFERENCE BOOKS**

1. Reed and Reed Lajorex, The art of Mergers & Acquisitions, McGraw Hill, 1999.
2. S.Ramanujam, Mergers et al., Tata McGraw Hill, 2000.
3. Sridharan and Pandian, Guides to Takeover and Mergers, Wadhava Publications, 2002.
4. Machiraju, Mergers, Acquisitions and Takeover, New Age International, 2003.
5. Weston, Sen and Johnson, Takeovers, Restructure and Corporate Governance, Prentice Hall, 2003.
6. Peirick A. Gaughan, Mergers, Acquisitions and Corporate Restructuring, John Wiley & Sons, 2003.

**2.5. FINANCIAL INTERMEDIARIES, FINANCIAL INSTITUTIONS AND REGULATORS****OBECTIVE**

To explain types of Financial Intermediaries.

**UNIT I**

Financial markets, nature function and efficiency: Financial system and economic development flow of funds in Indian economy, Indian financial system an over view.

**UNIT II**

Financial Markets: Money market, organization; instruments, functioning and its regulation. Capital market: Primary and Secondary markets and their organization. Capital market instruments – equity, debentures, preference shares, sweat equity shares, non-voting shares; new instruments of capital market – pure, hybrid and derivatives; money market instruments – treasury bills, commercial bills, certificate of deposits; new money market instruments.

**UNIT III**

Financial Market: SEBI and its role as regulator. Interest rate, maturity and structure of interest rate. Term structure of interest rates. Financial repression and Interest rates. The Yield-curve.

**UNIT IV**

Financial Intermediation: Depository Institutions: Commercial Banks and industrial finances. Bank credit: Working Capital and bank funds; Term lending. Developing a credit information system. Performance of Indian Banking. Regulatory aspect of Banking.

**UNIT V**

Financial Intermediation: Non-Depository Institutions: Mutual Funds: Measuring performance of Mutual Funds, Chit funds organization, functioning and regulatory aspects; UTI and Private sector mutual Funds. Insurance Public and Private organization: Life and Non-life insurance companies: LIC & GICs working and regulatory framework; Pension Funds: organization and working of pension funds.

**REFERENCE BOOKS**

1. Mandura Jeff, Financial Markets and Institutions, West Publishing Company, New York.
2. Meir Kohn, Financial Institutions and Markets, McGraw Hill Publishing Company, New York.
3. Cooper Kersey and Donald R.Fraser, The Financial Market Place, Addison Wesley Publishing Company (Latest Edition).
4. Khan M.Y, Indian Financial System, Tata McGraw Hill.
5. Bhole M.K., Financial Markets and Institutions, Macmillan Publishing Co. Inc., New York.
6. Auerbach Robert D., Finance Markets and Institutions, Macmillan Publishing Co. Inc., New York.
7. Thygerson Kenneth J., Financial Markets and Institutions, Harper Collins, New York.
8. Santomero A.M. and D.C., Babber, Financial Markets, Instruments and Institutions, McGraw Hill, 2001.
9. Saunders A. and M.M. Cornett, Financial Markets and Institutions, McGraw Hill, 2001.
10. Mishkin, F.S. and S.C. Eakins, Financial Markets and Institutions, Addition Wesley, 2000.
11. R.B.I., Reports on Currency and Finance.
12. Reserve Bank Bulletins.

**2.6. RISK AND INSURANCE MANAGEMENT****OBECTIVE**

To explain how Risk and Risk mitigation is managed.

**UNIT I**

Introduction to risk management: The Concept of Risk – Risk Vs. Uncertainty – types of Risks: Market Risk, Credit Risk, Operational Risk, interest risk, business risk, systematic risk - Classifying pure risks – methods of handling pure risks – risk management process – Risk financing techniques – Risk management objectives – Risk Management Information System (RMIS) – Risk Control.

## UNIT II

Risk Management by Individuals: Factors effecting individual demands for insurance – Risk Management by Corporations: Corporate Risk Management Process – Types of Risk Managing firms.

## UNIT III

Growth & Development of Indian Insurance Industry – Regulations of Insurance Business and The Emerging Scenario – Introduction to Life & General Insurance – Life Insurance: Features of Life Insurance – Essentials of Life Insurance Contract – Kinds of Insurance Policies – Premium determination – Life Policy Conditions.

## UNIT IV

Fire Insurance: Fire Insurance Contracts – Fire Insurance Coverage – Policies for stocks – Rate Fixation in Fire Insurance – Settlement of Claims. Marine Insurance: Marine Insurance Contract – Types of Marine Insurance – Marine Cargo Losses and Frauds – Settlement of claims.

## UNIT V

Miscellaneous Insurance: Motor Insurance – Employer's Liability Insurance – Personal Accident and sickness Insurance – Aviation Insurance – Burglary Insurance – Fidelity Guarantee Insurance – Engineering Insurance – Cattle Insurance – Crop Insurance.

## REFERENCE BOOKS

1. Dr. P.K. Gupta: Insurance and Risk Management, 1<sup>st</sup> edition, Himalaya Publishing House.
2. Dr.P.K. Gupta: Fundamental of Insurance, 1<sup>st</sup> edition, Himalaya Publishing House.
3. C. Gopala Krishnan: Insurance Principles & Practice, Sterling Publishers Pvt. Ltd., New Delhi.
4. George G.R. Lucas, Ralph H. Wherry: Insurance, Principles and Coverages, U.S.A.
5. Prof. K.S. N. Murthy and K.V.S. Sarma: Modern Law of Insurance in India, N.M. Tripathi Pvt. Ltd., Bombay.
6. P.S. Palande, R.S. Shah, M.L. Lunawat: Insurance in India, Sage Publications, New Delhi.

## 2.7. TREASURY MANAGEMENT

### UNIT I

Treasury: Objective of Treasury – Structure and Organization – Functions and Responsibilities of a Treasurer – Cost centre, Profit Centre – Integrated Treasury.

### UNIT II

Treasury Management: Money market – Structure and Institutions – Structure of Indian money market – functions – objectives of money market – money market instruments: Treasury bills, Commercial bills, certificate of deposit, commercial paper, Call money and factory services.



### UNIT III

Treasury and Asset Liability Management – Liquidity Management: CRR/CCIL/RTGS – Exposure – Types of Exposure and Elimination of Exposure.

### UNIT IV

Regulation, Supervision and compliance of Treasury function: Internal and External Audit – Reserve Bank of India.

### UNIT V

Global Scenario and Treasury Operation: Exchange rate mechanism – Structure – Dealing and Trading Operations – Revaluation.

### REFERENCE BOOKS

1. Treasury Risk Management – S.K. Bagchi
2. Technology for Treasury Management – Nicholos Greifer
3. Treasury Management in Emerging Markets by K. Seethapathi
4. Treasury Management in India by V.A. Avadhani Himalaya Publishing House, Delhi, 1998.
5. Treasury Management by D.C. Gardner Macmillan India Ltd., New Delhi, 1998.

## 2.8. BUSINESS ENVIRONMENT AND ETHICS

Objectives: To equip the students with the knowledge of emerging trends in social, political, ethical and legal aspects affecting business decisions.

UNIT 1 :- Business environment - The concept and significance - constituents of business environment - Business and society , Business & ethics - Social responsibility - Environmental pollution and control. Business and culture- Business and Government - Political system and its influence on business - Indian constitution - Directive Principles of State Policy.

UNIT II:- Managing Ethics- meaning and types – framework of organizational theories and sources – ethics across culture – factors influencing business ethics – ethical decision making – ethical values and stakeholders- ethics and profit. Corporate Governance – structure of Boards- reforms in Boards – compensation issues – ethical leadership.

UNIT III :- Globalisation of the economy – trends and issues, Politics and environment, MNCs and Government relationships- Introduction to GATT and WTO.

UNIT IV:- Fiscal policy - central finances and new fiscal policy - Direct and indirect Tax structure, VAT, MODVAT - Service Tax problems and reforms -Expenditure Tax - Public debts &deficit financing

UNIT V:- Legal environment of business – Monopolies – Company Law, Competition Act 2002. Foreign Exchange Management Act- Securities and exchange board of India Act -

Customs and Central Excise Act - Central and State sales Tax - Consumer protection Act  
Patents Act.

#### REFERENCES:

Adhikari.m - Economic environment of Management  
Francis cherunnilam - Business environment  
Pruti s . economic & managerial environment in India  
Davis & Keith William c . frederik - business and society  
Amarchand d - Government and business  
Mankard \_ Business Economics  
A.N Agarwal \_ Indian economy  
Steiner and Steiner – Business Ethics – Mc-Graw Hill  
Raj Agarwal – Business Environment – Excel Books.

### 2.9. STRATEGIC MANAGEMENT

Objectives: To help the students to learn the process of strategic decision making, implementation and evaluation of corporate policies

#### UNIT I

Corporate strategic planning - Mission - Vision of the firm - Development, maintenance and the role of leader - Hierarchical levels of planning - strategic planning process. Strategic management Practice in India, Family run corporates.

#### UNIT II

Environmental Analysis & Internal Analysis of Firm:

General environment scanning, competitive & environmental analysis - to identify opportunities & threat - Assessing internal environment through functional approach and value chain - identifying critical success factors - to identify the strength & weakness - SWOT audit - core competence -Stakeholders' expectations, Scenario-planning - industry analysis.

#### UNIT III

Strategy formulation

Generic strategies - Grand strategies - Strategies of leading Indian companies - The role of diversification -limit - means and forms. Strategic management for small organisations, non-profit organizations and large multi product and multiple market organisations.

#### UNIT IV

Tools of Strategy Planning and evaluation

Competitive cost dynamics - experience curve -BCG approach - cash flow implication. IA - BS matrix - A.D Little's Life -cycle approach to strategic planning - Business portfolio balancing - Assessment of economic contribution of strategy - Strategic funds programming.

**UNIT-V****Strategy implement & Control:**

Various approach to implementation of strategy - Matching organization structure with strategy - 7Smodel - Strategic control process - Du Pont's control model and other Quantitative and Qualitative tools - Balanced score card - M.Porter's approach for Globalization - Future of Strategic Management.

**Reference**

- 1.Pearce& Robinson, Strategic Management ,All Indian Travellers N.D
  - 2.A.C. Hax And Ns, Strategic Management: An Integrative Perspective, Majifu, Prentice Hall
  - 3.Micheal Porter, Competitive Strategies.
  - 4.Micheal Porter, Competitive Advantage Of Nations.
  - 5.Samul C. Certo And J.Paul Peter, Strategic Management, Second Edition. Concept And Application, Mcgraw Hill.
  - 6.Georgy G.Dess And Alex Miller , Strategic Management, Mcgraw Hill.
  - 7.Gerry Jhonson & Keven Scholes, Exploring Corparate Strategy: Text And Cases,Ph
  - 8.Jaunch .L ,Rajive Gupta & William.F.Glueck ,Business Policy And Strategic Management ,Frank Bros & Co,20003
  - 9.Fred R.David ,Strategic Management Concept &Cases ,Pearson,2003
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**QUESTION PAPER PATTERN**

Time : 3 Hours

Max Marks : 100

**Answer any Five Questions**

(5 X 20 = 100 Marks)

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