FACULITY OF BUSINESS MANAGEMENT AND COMMERCE

OUTLINES OF TESTS SYLLABI AND COURSES OF READING

FOR

(Master of Finance and Control)

MFC

FOR THE EXAMINATION 2012-13
SYLLABI AND COURSES OF READING FOR MFC EXAMINATION, (2012-2013)

Note: 1. The duration of the examination in each subject will be 3 hours.
2. Maximum marks for external/written examination are 80 marks and Internal Assessment is 20 marks.
   N.B Use of non programmable calculators by the students in the Examination Hall is allowed. The calculators will not be provided by the University.

Instructions to the paper setters.

Maximum Marks: 80.

THERE WILL BE FOUR UNITS: Set 10 questions in all, selecting two or three questions from each unit. The students are required to answer five questions in all selecting at least one question from each unit.

SCHEME OF EXAMINATION

1st SEMESTER

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFC 101</td>
<td>Management for Organisation.</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 102</td>
<td>Business Environment.</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 103</td>
<td>Accounting for Managers.</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 104</td>
<td>Economic Analysis for Business</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 105</td>
<td>Financial Services.</td>
<td>80 20</td>
</tr>
</tbody>
</table>

400 100

IIInd SEMESTER

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFC 201</td>
<td>Organisation Behaviour</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 202</td>
<td>Regulatory Framework for Business</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 203</td>
<td>Financial Management &amp;Policy</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 204</td>
<td>Quantitative Techniques.</td>
<td>80 20</td>
</tr>
<tr>
<td>MFC 205</td>
<td>E-commerce</td>
<td>80 20</td>
</tr>
</tbody>
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400 100
### IIIrd SEMESTER

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFC 301</td>
<td>Management Information System</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 302</td>
<td>Cost Analysis &amp; Control</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 303</td>
<td>Security Analysis and investment Management</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 304</td>
<td>Corporate Governance</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 305</td>
<td>Tax Planning &amp; Management</td>
<td>80  20</td>
</tr>
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|                  |                                                             |       |
|------------------|                                                             | 400  100|

### IVth SEMESTER

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFC 401</td>
<td>Management Control System</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 402</td>
<td>International Finance.</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 403</td>
<td>Management of Services - Insurance and Banking</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 404</td>
<td>Strategic Management.</td>
<td>80  20</td>
</tr>
<tr>
<td>MFC 405</td>
<td>Optional Paper (opt for one):</td>
<td>80  20</td>
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|                                                   |                                                             |       |
|--------------------------------------------------|                                                             | 400  100|

1. Financial Engineering
2. Computer Application in Accounting
3. Project Planning & Analysis

Total Marks 1600 400
 MANAGEMENT FOR ORGANIZATION  
MFC – 101

**Objective:** To understand the basics of management process and concepts in today’s organization.

**UNIT – I**


**UNIT - II**


**UNIT - III**


**UNIT - IV**


**References:**

R. N. Singh, Management Thoughts and Thinkers.  
Koonlz O’ Dannel , Essentials of Management.
Objective: To make the students conversant with the external business environmental factors that impact the business decision making.

Unit –I
The concept of business environment. The Socio cultural environment.
- Significance Nature & Interaction Matrix of different environmental factors. The process of environmental Scanning.
- Features of Indian Socio-Cultural environment and its implication on industrialization & growth.
- Emergence of new demand for consumer goods and consumerism as an emerging force.
- Social responsibility of business.

Unit-II
The Political Environment
- The constitutional provisions affecting business in India, The preamble, DPS & FR’S.
- The political dimensions of doing business in India.
- The relationships between government & Business.

Unit-III
The Economic Environment
- The philosophy, strategy & planning in India.
- The monetary and fiscal policies and the union budget as an instrument of economic growth.
- The foreign trade policy of India.
- The Industrial policy and the Economic reforms and its impact on Indian Business.
- Globalization & Liberalization : Threats & opportunities for Indian Business.

Unit-IV
The Technological & The International Environment.
- The problem of sophisticated technology in a labour surplus economy, India’s policy for R & D.
- WTO and its impact on Indian Business.
- Role of MNC’S, FII’S, NRI, IMF and World Bank in giving impetus to Indian Business.
- Trade Barriers: Trips & Trims etc and its implication for Indian Business.

References:
1. K. Aswathappa - Business environment for Strategic Management
2. Francis Cheerunitam - Business Environment
3. P. K. Ghosh - Business Policy & Environment
Objective: To develop understanding of accounting tools and information.

UNIT - I

Accounting and its functions, Accounting Concepts, Accounting Conventions and Accounting Equation. Accounting Process and Generally Accepted Accounting Policies (GAAP). Introduction to Indian Accounting Standards. IFRS and it’s convergence.

UNIT – II


UNIT – III


UNIT – IV


REFERENCES:

Horngren, Sunden and Ostratton : Introduction to Management Accounting, Prentice Hall of India.
Hilton : Managerial Accounting, Tata McGraw Hill.
Objective: To study the basic concepts and tools of economic analysis as relevant for business decision making.

UNIT-I


UNIT-II

Theory of production- Production function for a single product, technological progress and the production function, production function of a multi product firm. Cost Theory traditional, modern and engineering, empirical evidence on the shape of cost; the relevance of cost theories in business decision making; business cost and incremental costs.

UNIT-III

Market structure and degree of competition. Profit maximizing price and output in the short run and the long run in perfect competition, monopoly, monopolistic and oligopoly. Price Policy; Pricing under multiple products, discriminatory pricing, oligopolistic pricing, oligopolistic inter dependence.

UNIT-IV

Consumption function, multiplier factors affecting the level of aggregate consumption. Role of investment, Investment Demand Schedule, Keynesian and Classical theory of income employment and output. Wages and employment, evaluation of Keynesian theory of employment, Keynesian theory and underdeveloped countries.

References:

A.Koulsoyiannis : Modern Micro- Economics
Hauge, D. C. : Managerial Economics
Demburg, Thomas F. : Macro Economics
Adhikari. M : Business Economics
FINANCIAL SERVICES
MFC - 105

Objective: To provide insight to the structure, working and problems of financial, system in India as well as to enable students to appreciate and understand the concepts, mechanism and utility of different financial services.

UNIT – I

An overview of Indian financial system: Introduction, structure, components and mechanism of the financial system. Financial Services: An overview. Introduction to SEBI.

UNIT – II

Merchant Banking: Functions and SEBI regulations and Non Fund-based and Fund-based activities including role in mobilization of funds. Depository Services in India (including regulatory aspects).

UNIT – III

Leasing-Introduction, financial evaluation of lease from lessor’s and lessee’s point of view, lease structuring, Tax, legal and accounting aspects especially in Indian context. Factoring: Features, process and agreement for factoring:

UNIT – IV


REFERENCE:

1. L.M. Bhole            Financial Institutions and Markets
2. J.C. Verna            Merchant Banking Organisation and Management
3. Lalit K. Bansal       Merchant Banking and Financial Services
4. M.Y. Khan             Financial Services
5. V.A. Avadhani         Investment and Securities Markets in India.
Objective: To provide a strong conceptual framework for the study, understanding, and application of organization behaviour and to apply behavioral techniques to manage human resources in a better manner.

UNIT-I
Introduction:
OB: Fields contributing to OB, Managers' roles and functions, OB in the context of globalization, workforce diversity- challenges and opportunities for OB.


UNIT-II

Personalities and Emotional Quotient (EQ): The Meaning of Personality, Personality Determinants- Personality Traits The big five model, emotional quotient.

Motivation: From concepts to Applications.

UNIT-III

UNIT-IV


**Power & Politics**: Definitions of Power-Distinction Between Power and Authority-Bases of Power-Power Structure and Block-impression management-political behaviour in organizations.

**Conflict & Inter Group behaviour & Collaboration**: Sources of Conflict, Intra-individual Conflict, Interpersonal Conflict, Inter-group Behaviour and Conflict, Organizational Conflict. Negotiations-Approaches to Conflict Management-Collaboration.

**Work Stress**: Causes of Stress-Organizational and Extra Organizational Stressors-Group Stressors-Individual Stressors Stress coping Strategies.

**References:**

K. Ashwathappa., Organization Behaviour, Tata McGrew Hill
Uma Sekhwan, Organizational Behaviour
Gary Desslar, Organization Theories, Prentice Hall, India
**REGULATORY FRAMEWORK FOR BUSINESS**

**MFC-202**

**Objective:** The objective of this course is to introduce the students with different legal aspects of business.

**UNIT – I**

Corporate personality, features of company, registration and incorporation, memorandum of association, articles of association, prospectus, Shares, shareholders and members, share capital. Limited liability partnership.

**UNIT – II**

Management of companies, directors, their appointment, duties, liabilities and powers, meetings of a company, borrowing power of the company, changes and their registration.

**UNIT – III**

Objectives of Foreign Exchange Management Act, provisions of FEMA dealing with regulation and management of foreign exchange, economic offences and penalties, intellectual property rights, objectives of SEBI, provisions of SEBI act dealing with takeover and substantial acquisition of shares, buyback of shares and investor protection.

**UNIT – IV**


**References:**

Objective: To impart the students a thorough knowledge about the issues involving financing policies and investment decision making in a business.

UNIT – I


UNIT – II

Cost of Capital, Capital Structure and firm value, Capital Structure Decision. Dividend theories; determinants of dividend policy.

UNIT – III


UNIT – IV


References:

James, C. Vanhorne : Financial Management and Policy
Objective: This course aims at appraising the students of various quantitative techniques which can facilitate business decision making. This course is to acquaint the applications of operations research to business decision making.

UNIT-I

Introduction to Statistics, Frequency distribution, Measures of Central Tendency, Measures of Dispersion and Skewness. Index Number, Time series analysis.

UNIT-II

Simple correlation and Regression (including Multiple regression)
Probability: Fundamental concepts- random experiment, Event, Mutually exclusive events, Exhaustive events. Definition of probability classical and statistical.
Concepts of addition law, multiplication law, conditional probability and Bayes Theorem.

UNIT-III

Theoretical Distribution- Binomial Poisson and Normal characteristics and applications.
Tests of Significance: Tests of Hypothesis, Type-I and Type – II errors, null hypothesis and significance tests, Tests concerning mean difference between mean (large and small samples).
Concepts and applications of Chi- square, Students and Fisher’s F- Test.

UNIT-IV

Introduction to operation research an overview. Linear programming, (Graphical Method) Linear programming, (Simple Method) Transportation Problem, Assignment Problems.

Inventory and Waiting Line Models
Inventory Control – Deterministic Models and Probability Models

References:

2. Tara Yamene Statistics: An Introductory Analysis
3. M. D. Vohra Quantitative Techniques in Management
4. S. P. Gupta Statistical Method
Objective: The paper attempts to make students understand the role of e-commerce and its utility to the corporate world. The course also makes students learn issues related to implementation of e-commerce in the company.

UNIT - I


UNIT - II


UNIT –III

Electronic payment systems and its role in e-business; types of e-payment systems; Electronic Data Interchange – concepts and role; Issues in Electronic commerce - Security concerns, Taxation concerns, legal concerns.

UNIT –IV


References:


Kalakota, Rave and Shinston Andrew B. : Frontiers of Electronic Commerce. Addison Wesley.

MANAGEMENT INFORMATION SYSTEM
MFC - 301

Objective: The objective of the paper is to offer a comprehensive overview of Management information systems (MIS). It will explore technical, strategic and tactical issues related to MIS. Basic concepts in analyzing and designing information systems will be presented.

UNIT-I
MIS Definition-Characteristics -Evolution of MIS: Concepts; framework for understanding and designing MIS in an organization; MIS and other related disciplines: MIS and Management Accounting, MIS and Computer Science, MIS and OR, MIS and Organizational Behavior, MIS and Management. Concept of information; definition, features, types, process of generation and communication; quality of information; information overload; techniques for managing overload; summarizing; filtering ;inferences and message routing. System concepts; definition, types and characteristics of system-control in systems: feedback: positive and negative; negative feedback control system, input, process and output control; law of requisite variety.

UNIT-II
Structure of MIS: Basic structural concepts: formal and informal information systems; public and private information systems; multiple approaches to the structure of MIS: Operational elements (physical components, process, outputs for users), activity subsystems, functional subsystems and decision support – synthesis of multiple approaches into a conceptual structure for MIS.

UNIT III

UNIT-IV
Systems Development and Implementation: System development methodologies; SDLC approach; prototyping approach and user development approach- Systems Analysis; systems Design; Concepts of database and database design; system implementation; management of information system projects; system documentation – information system audit. Security of information resources; threats to information resources; security systems for risk management. Enterprise Resource Planning Systems –Features-ERP modules-implementation of ERP

Reference Books:
Objective: The objective of this course is to develop conceptual ideas about the importance of cost accounting and how it is used for different decisions in industry.

UNIT – I

UNIT – II

UNIT – III
Standard Cost: Development of Standard costs, Significance analysis and investigation of variances, Accounting for variances single plan and partial plan. Budgetary Control System: Multiple roles of budgeting, organizational behavior and operating budgets.

UNIT – IV

References:
1. Horngren & Foster : Costing Accounting- A Managerial Emphasis
2. Usry & Hammer : Cost Accounting: Planning & Control
Objective: To enable the students to understand various techniques of analysis used in investment decisions, portfolio analysis and efficient portfolio management.

Unit – I
Security Market Analysis: Investment environment Types of return and risk; Sources of risk
Technical Analysis Fundamental Analysis: Economic Analysis, Industry Analysis, Company Analysis:

Unit – II
Forms of Market Efficiency and Valuation of Securities : Random Walk Theory Form of Market efficiency Analysis of Bond/ Debentures: Valuation of bonds Analysis of risk in bonds-duration and convexity Valuation of Equity and Options

Unit – III

Unit – IV

Reference Books:
CORPORATE GOVERNANCE
MFC - 304

OBJECTIVES: The objective of this course is to explore architecture of corporate governance, the role of regulatory authorities, models of corporate governance, principal-agent theory within the corporate context, as well as corporate culture, corruption, management and board compensation and conceptions of social responsibility, and capital market development.

UNIT-I
Introduction to the Corporation and Corporate Governance: The nature, significance, formation and historical development of the corporation; Significant characteristics of the corporation from governance point of view; the corporation as distinguished from other types of forms of business organizations; Introduction to agency concepts (board and managers/stockholders, majority and minority stockholders) and to ‘agency problem’; Meanings and significance of corporate governance. Factors affecting quality of Governance. Principles of Corporate Governance.

UNIT-II
The Internal and External Institutions of Corporate Governance: The purpose of the corporation; corporation and its stakeholders.; The concept of corporate social responsibility; The internal institutions of corporate governance (Directors and their committees, managers, and shareholders); Choices within legal constraints, e.g., anti-takeover defenses; mitigation and indemnification.

UNIT-III
Accountability of managers and Stockholders: Defining and enforcing managers’ duties; Mechanisms of stockholders accountability (through voting and proxy contests, derivative and class actions, takeovers, tender offers, and markets for corporate control); Outside forces (Regulators, government enforcement); Committees on Corporate Governance; Cadbury, Greenbury and Hampel and Kumar Mangalam Birla.

UNIT-IV

References:
Objective: The aim of this course is to familiarize the student with major latest provisions of the Indian tax laws and related judicial pronouncements pertaining to corporate enterprises having implications for various aspects of Corporate planning with a view to derive maximum possible tax benefits admissible under the law.

UNIT-I

UNIT-II
Definition of various kinds of companies - Meaning of company under IT Act. Residential status of companies and implications for Tax Planning. Assessment of companies including carry forward and set off of losses.

UNIT-III
Tax implications in planning of business unit as Proprietorship, Partnership, Pvt. Ltd. & Public Ltd. Tax planning in the context of exemptions, incentives, export promotions & various deductions under Chapter – VI of Income Tax Act Setting up of a new Industrial Establishment: location aspects; nature of business; planning for tax holiday benefits Specific management decisions such as (1) make or buy; (2) own or lease, (3) repair or replace; (4) export vs. local sale; (5) shut down or continue; (6) expand or contract.

UNIT-IV
Indirect Tax Planning: Central Excise Act – Planning in relation to nature of activity, use of power, commodity to manufacture, method of selling, scale of investment, number of workers, location of units, etc. Exemption from excise duty levy - nature and types of exemption, Special reliefs for exports and SSI units. Set-off of duties - meaning, schemes of set-off VAT / Sales Tax Act – Method of executing sales through branches, head office and factory; export contracts and implications on penultimate sales, canalized exports –implications.

Reference Books:
2. Singhania, V.K. : Direct Tax planning and Management(Taxman N. Delhi
3. Prasad, Bhagabati: Direct Tax Law & Practice, New Age Publ., N. Delhi
MANAGEMENT CONTROL SYSTEMS

MFC – 401

OBJECTIVE : To develop the abilities of the students to design and evaluate management control system.

UNIT-I


UNIT-II


UNIT-III


UNIT-IV


References:

INTERNATIONAL FINANCE  
MFC-402

OBJECTIVES: To provide insight to the management of financial environment in international context.

UNIT-I

(a) International Financial Environment and International Accounting  

(b) International Accounting  
Internationalization of accounting profession. Need for international Accounting Standards and critical review Accounting Standards (1, 2, 4, 7-11, 16-23, 25 and 30) set by the International Accounting Standards committee. Harmonization of Accounting Standards.

UNIT-II

Forex Risk Management  

UNIT-III

International Working Capital Management  

UNIT-IV

International Financial Regulation and Strategies  

REFERENCES:
1. Rodriquez : International Finance Management  
3. Shirin Rathore : International Accounting  
4. Shapiro : Multinational Financial Management  
5. Apte : International Financial Management  
6. V.A.Avadhani : International Financial Theory and Practice  
7. Manju Aggarwal : International Finance
MANAGEMENT OF SERVICES (BANKING AND INSURANCE)
MFC – 403

OBJECTIVE: The course will apprise the students with the management of banking and insurance.

BANKING

UNIT – I
Indian Banking System: Role of commercial banks in the development of Indian economy; Regulatory framework of Banking in India; Deregulation of financial services in India, Liberalization of financial services, Narsimhan committee report, Verma Committee Report, Prudential norms, NPA’s and Income recognition norms. Functions of Commercial Banks; Sound Commercial Banking principles.

UNIT – II
Bank balance-sheet; basic operations of Banks; Bankers; Customer relationship.
Risk Management: Corporate planning in banks, Spread management, Risk management, Bank investments, Asset liability management, Marketing of banking products.
Electronic banking: An Introduction to e – banking.

INSURANCE

UNIT – III
Life Insurance in India- Organization, Management and policies of LIC, Role in national economy.

UNIT – IV
Insurance and Capital Market in India

References:
1. NCAER : Attitude Toward Insurance Cover
2. R.S. Sharma : Insurance Principles & Practice
3. S.P. Sharma : Organisation of Indian Insurance
4. N.N. Mishra : Insurance Principles & Practice
5. S.S. Heubnes & Kemnch Black: Life Insurance
7. S. R. Deva : Law & Practice of Banking
8. H. L. Tandon : Banking Law & Practice in India
9. P.N. Varshney : Banking Law & Practice
10. Reed Cottors : Commercial Banking
11. Joshi : Managing Indian Banks
13. Richard Hands Combe : Bankers’ Management
STRATEGIC MANAGEMENT

MFC-404

Objective: The main object of course is to expose the student to the strategic issues in decision making.

UNIT- I
2. Environmental Analysis: The Internal & External environmental analysis.
3. Evaluating Corporate resources, core competencies & technological strengths.

UNIT- II

UNIT- III
6. Exploring the generic Strategic Alternatives: Porter’s five forces analysis.
7. Explaining the Strategic Alternatives of Mergers & Acquisitions, Joint ventures, Strategic alternatives in global industries.
8. Turnaround & Privatization.

UNIT- IV
10. The 7’s framework.

References:

William J Gluelk & Janeh G & J, Business policy & Strategic management
R. Srinivasan, Strategic Management: The Indian context, Prentice Hall
Kenneth Andrews, The Concept of Corporate Strategy, Erwin Homewooa,
M. E. Porter, Competitive Strategic, The Free Press.
FINANCIAL ENGINEERING
MFC-405(I)

Objective: The objective of the course is to enable the students in understanding & analyzing investment problems and developing their skills for the solution of these problems with the help of innovative financial processes, instruments & strategies.

Unit I
Understanding Manning and Need of Financial Engineering:
Features and types of financial derivates, Financial engineering vis a vis financial analysis, factors leading to increasing need for financial engineering, Financial engineering in India – Derivatives and futures markets

Unit II
Mechanics of Financial Engineering:
Valuation concepts: time value of money, cash flows, sensitivity analysis, compounding, risk and return analysis, risk management value chain, source of price risk, volatility, absolute and relative valuation, hedging, Interest rates and exchange rates, arbitrage and market efficiency

Unit III
Product development and strategies:
Basics of product development: objective, design and testing pricing and valuation of future and forwards, Pricing and valuation of swaps: Interest rate swaps, currency swaps, commodity swaps, Options: call and put options, Payoff profiles, option strategies, arbitrage restrictions on option prices, Hedging approaches with options, Equity related instruments: options, warrants, subscription rights, investment vehicle, index futures and options, foreign equities, Treasury bond and notes futures

Unit IV
Emerging instruments, concepts and issues:
Assets and liabilities management, corporate restructuring and LBO/MBO, Value at Risk (VaR), Hybrid securities, Credit derivatives, Options on debt instruments, Exotic options, Synthetic instruments, Issues related to accounting treatment of derivatives, corporate risk management: planning and controlling reasons for hedging, cash flow hedges and value hedges, capital structure and hedging

References:
Gupta, S.L., “Financial Derivatives”, PHI
Hull, John C., “Options, Futures And Other Derivatives”, PHI
COMPUTER APPLICATION IN ACCOUNTING
MFC-405 (II)

OBJECTIVES: The course is designed to develop skills in identifying and analyzing information needs for managerial decision making. The course aims at harnessing, information technology in various functional areas.

UNIT-I
• Introduction to Computers
• Accounting Information Systems
• Spreadsheet Software and Managerial Application

UNIT-II
• Nominal sales and purchase ledger maintenance and reporting
• Stock control – tracking stock movements – Traditional: Rush Manufacturing: Pull Manufacturing
• Sales order processing and reporting – In Web – based business environment.
  Inventory System

UNIT-III
• E – Analysis of financial statements – for External and Internal use.
• Managerial Application of Computers: Computer based Financial System
• Internet and Corporate Finance

UNIT-IV
• Online Treasury and Cash Management
• Online Share Trading
• E – Banking

REFERENCES:
5. Murdick and Ross, Information System for Management.
Objective: The objective of the course is to provide the student with skills necessary to create, plan and control a new Enterprise.

Unit – I

Unit – II

Unit – III

Unit – IV
Project Implementation and Management: Project Organisation and Control, Network Analysis – PERT & CPM, Cost and Time Over-run Project Follow up and Monitoring.

Reference Books:
5. Yound, Trevour L.: Planning and Implementing Project Sterling Publishing Ltd.
6. Krishnan and Moorthy: Text Book of Project Management, Mac Millan India Ltd.