MBA
(FINANCIAL MANAGEMENT)
Semester
(With Effect from the Academic Year 2013-14)

ELIGIBILITY FOR ADMISSION

Candidates who apply for the degree of MBA shall possess the following qualifications.

(a) AGE LIMIT:

There is no upper Age Limit.

(b) QUALIFICATION:

Any Degree

3. DURATION OF THE COURSE

The course will be conducted for Two years under Semester pattern.

On completion of two years, the students will be awarded MBA with Respective Specialisation.

3.1. EXAM: There will be an examination conducted by the University at the end of each Semester.

3.2. PASSING MINIMUM: 50 marks

3.3. MEDIUM OF INSTRUCTION: The Medium of instruction will be English.
## LIST OF SUBJECTS AND DETAILED SYLLABUS

<table>
<thead>
<tr>
<th>SEMESTER</th>
<th>S.No</th>
<th>Title of the Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1.</td>
<td>Management Theory and Practice</td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>Organisational Behavior</td>
</tr>
<tr>
<td></td>
<td>3.</td>
<td>Accountancy for Managers</td>
</tr>
<tr>
<td></td>
<td>4.</td>
<td>Managerial Economics</td>
</tr>
<tr>
<td></td>
<td>5.</td>
<td>Statistics for Managers</td>
</tr>
<tr>
<td></td>
<td>6.</td>
<td>Marketing Management</td>
</tr>
<tr>
<td>II</td>
<td>7.</td>
<td>Financial Management</td>
</tr>
<tr>
<td></td>
<td>8.</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td></td>
<td>9.</td>
<td>Operations Management</td>
</tr>
<tr>
<td></td>
<td>10.</td>
<td>Research Methods for Business</td>
</tr>
<tr>
<td>III</td>
<td>11.</td>
<td>Operations Research</td>
</tr>
<tr>
<td></td>
<td>12.</td>
<td>Strategic Management</td>
</tr>
<tr>
<td></td>
<td>15.</td>
<td>Strategic Cost Management</td>
</tr>
<tr>
<td>IV</td>
<td>16.</td>
<td>Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>17.</td>
<td>Security Analysis and Portfolio Management</td>
</tr>
<tr>
<td></td>
<td>18.</td>
<td>Derivatives Management</td>
</tr>
<tr>
<td></td>
<td>19.</td>
<td>Financial Analysis and Reporting</td>
</tr>
<tr>
<td></td>
<td>20.</td>
<td>Management Information Systems</td>
</tr>
<tr>
<td></td>
<td>21.</td>
<td>Final Project Report</td>
</tr>
</tbody>
</table>

### 21. PROJECT REPORT

Students are required to undertake a Research for in a relevant specialization. They must submit a research report on the relevant specialization guided by the Qualified External Examiner before the end of IV semester. The maximum mark for the research report is 100. The Minimum mark required to pass the Research Report is 50 Percent.

### SEMESTER I

**PAPER 1 MANAGEMENT: THEORY AND PRACTICE**

**Objectives:** To help students understand Evolution of Management Thought, Concepts, basic functions and recent trends managerial concepts and practices for better business decisions.

**UNIT I:** Evolution of Management thoughts – Contribution of Selected Management Thinkers – Various approaches to management – contemporary management practice – Managing in global environment – Managerial functions.
UNIT II: Importance of planning – Types of planning – decision making process – Approaches to decision making – Decision models – Pay off Matrices – Decision trees – Break Even Analysis.


UNIT V: Managements control systems – techniques – Types of control.

REFERENCES


PAPER II ORGANISATIONAL BEHAVIOUR

Objectives: To introduce students to framework that are useful for diagnosing problems involving human behaviour, to increase students understanding of psychological and sociological phenomenon that regularly occur in organizations. To understand the dynamics of human organizations and concepts of individual as well as the group level.

UNIT I: Definition, need and importance of organizational behaviour – nature and scope – frame work – organizational behaviour models.


REFERENCES

PAPER III ACCOUNTANCY FOR MANAGERS

Objectives: To familiarize the students with basic Accounting concepts and Conventions, to make the students understand Financial Statements, to familiarize with the intricacies of accounting, planning and Management and to make them aware about the tools for decision making.


UNIT II: Financial statement analysis – Ratio analysis-Preparation of Cash Flow Statement-cash flow and funds flow statement analysis

UNIT IV: Basics of Cost Volume Profit (CVP) analysis – BEP analysis- Application of marginal costing in decisionmaking - Basic framework of budgeting-Preparation of Master, flexible and cash budgets- Zero based budgeting

UNIT V: Standard costing-Setting standard costs - Analysis of variance - Significance of Computerized Accounting System

REFERENCES

1. Bhattacharyya, Management Accounting, Pearson, 2010
2. Khan, Jain, Management Accounting: Text, Problems and Cases Tata McGraw Hill

PAPER IV MANAGERIAL ECONOMICS

Objectives: To impart knowledge and understanding to students on managerial economics and their application to business decision making.


UNIT IV: Analysis of inflation and unemployment – the role of economic policies – Indian experiences.


REFERENCES

PAPER V: STATISTICS FOR MANAGERS

Objectives: To help students understand application of statistics, probability Concepts, basic functions and practical usage for better business decisions.

UNIT I: Basic definitions and rules for probability, conditional probability, independent of events, Baye’s theorem, random variables, Probability distributions: Binomial, Poisson, Uniform and Normal distributions.

UNIT II Introduction to sampling distributions, sampling techniques, sampling distribution of mean and proportion, application of central limit theorem. Estimation: Point and Interval estimates for population parameters of large sample and small samples, determining the sample size.

UNIT III TESTING OF HYPOTHESIS - Hypothesis testing: one sample and two samples tests for means and proportions of large samples (z-test), one sample and two sample tests for means of small samples (t-test), F-test for two sample standard deviations, Chisquare test for
single samples standard deviation. Chi-square tests for independence of attributes and goodness of fit.


UNIT V CORRELATION, REGRESSION AND TIME SERIES ANALYSIS -
Correlation analysis, estimation of regression line. Time series analysis: Variations in time series, trend analysis, cyclical variations, seasonal variations and irregular variations.

REFERENCES

SEMESTER II
PAPER I MARKETING MANAGEMENT

Objectives: It helps students to understand the basic concepts of Marketing Management, understand various marketing tools/models for solving marketing problems and to comprehend various situations and marketing terminologies.

UNIT I: Marketing conceptual frame work – marketing environment – customer oriented organization – marketing interface with other functional areas, marketing in a globalized environment.

UNIT II: Understanding Industrial and individual buyer behavior – influencing factors– responding to buyer behaviour – building customer satisfaction – marketing to organizations and marketing of services Market segmentation – targeting and positioning, developing marketing mix,


UNIT IV: Marketing Research- Types, process – tools and techniques – application of marketing research – product launching, demand estimation, advertising, brand preferences,
customer satisfaction, retail stores image, customer perception, distribution, customer relationship, competitor analysis and related aspects

UNIT V: Online marketing – web based marketing programmes – emerging now trends and challenges to marketers.

REFERENCES

1. Aakar Day, Kumar, Essential of Marketing Research.

PAPER II FINANCIAL MANAGEMENT

Objectives: Imbibing knowledge about the decisions and decision variables involved in building the asset side of balance sheet of the firm and developing the analytical skills by associating the tools and techniques with the situation and to develop skills for interpretation business information and application of financial theory in corporate investment decisions.

UNIT I: Financial management – An overview, time value of money. Introduction to the concept of risk and return of a single asset and of a portfolio, valuation of bonds and shares option valuation.

UNIT II: Capital Budgeting: Principles and techniques, Nature of capital budgeting, Identifying relevant cash flows, Evaluation Techniques, Payback, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Profitability Index, Comparison of DCF techniques, Project selection under capital rationing, Inflation and capital budgeting. Concept and measurement of cost of capital, Specific costs and overall cost of capital.

UNIT III: Financial and operating leverage, capital structure, Cost of capital and revaluation, designing capital structure. Dividend policy, Aspects of dividend policy, practical consideration, forms of dividend policy, practical considerations, forms of dividends, share splits.

UNIT V: Indian capital and stock market, New issues market. Long term finance: Shares debentures and term loans, lease, hire purchase, project financing, venture capital financing.

REFERENCES


PAPER III HUMAN RESOURCE MANAGEMENT

Objectives: To provide the future manager with inputs with a view to Enhancing the appreciation of the Human Resources function as a potential career option, Understanding the interface of the Human Resources function with Operations, Marketing, and Finance functions


UNIT II: Employment planning and forecasting – Recruitment, selection process- Building employee commitment : Promotion from within – Sources- Induction.

UNIT III: Orientation & Training : Orienting the employees, the training process, need analysis, Training -techniques, Developing Managers : Management Development - On-the-job and off-the-job Development techniques using HR to build a responsive organisation.


REFERENCES

PAPER IV OPERATIONS MANAGEMENT

Objectives: To understand the concepts of Operation Management and its applications in industrial situations and to familiarize the students with various concepts of Operation Planning and Management.


UNIT II: Facility Location Decisions (FLD) – Selections of country, region and site. Facility Layout Decision (FLD) – Types (Fixed Position, and Production, Process, Flexible), Methodologies (Distance Minimising, Computer software systems (CRAFT, CORELAP, ALDEP),

UNIT III: Forecasting – Types, Methods (Qualitative and Quantitative), Types of variation in data, Minimising forecasting errors and selection of forecasting methods. Capacity Planning-MRP and MRP II systems Introduction to ERP Line Balancing and performance ratios,

UNIT IV: Material Management (MM) – Handling Technology (Robots, Automated storage and retrieval systems (ASRS) and methods (JIT, / Kanban, ABC Systems).Independent Demand Inventory Models – Fixed order system, Basic EOQ, EBQ Models, Quantity discount models. Dependent Demand Inventory models

UNIT V: Johnson’s Algorithm for job sequencing -Use of Gantt charts, Queuing analysis and Critical Ratios as methods for job scheduling, work measurement methods (WM) - Time study, methods-time measurement, Work Sampling, White color measurement and learning curves, Using WM to increase productivity- PERT / CPM – Drawing the network, computation of processing time, floats and critical path. Resource leveling techniques.

REFERENCES

PAPER V RESEARCH METHODS FOR BUSINESS

Objectives: To impart knowledge to evaluate and conduct research on management problems/issues, to provide skills necessary for the conduct of student research projects as a part of the programme requirement and to highlight importance of research in management.


REFERENCES

1. Alan Bryman and Emma Bell, Business Research methods, OUP.
SEMESTER III

PAPER I OPERATIONS RESEARCH

Objectives: To provide a formal quantitative approach to problem solving and an intuition about situations where such an approach is appropriate, to introduce some widely-used mathematical models. The understanding of these models will allow the students to communicate with persons who run them and to evaluate the results they present and to provide a tool that the students can use to solve management problems.

UNIT I: Introduction to applications of operations research in functional areas of management. Linear programming- Formulation, Solution by graphical and simplex methods, Special cases, Dual simplex method, Principles of duality, Sensitivity analysis.

UNIT II: Transportation models (minimizing and maximizing cases) –Balanced and unbalanced cases –Initial basic feasible solution by N-W corner rule, least cost and Vogel’s approximation methods. Check for optimality. Solution by MODI /Stepping stone method. Cases of degeneracy. Transshipment models.

UNIT III: Solution to pure and mixed integer programming problem by Branch and bound and cutting plane algorithms. Game theory-Two person zero sum games-saddle point, Dominance Rule, Convex Linear combination (averages), methods of matrices, graphical and LP solutions.


UNIT V QUEUING THEORY AND REPLACEMENT MODELS -Queuing theory – single and multi-channel models – Infinite number of customers and infinite calling source. Replacement models –Individual replacement models (with and without time value of money) – Group replacement models.

REFERENCES
1. Paneerselvam R., Operations Research, Prentice Hall of India,

PAPER II STRATEGIC MANAGEMENT
**Objectives:** The Objective of the course is to enable students have a grasp of various business strategies in general and functional management areas. It will provide a strategic orientation in conduct of the business.

**UNIT I:** Conceptual framework for strategic management, the Concept of Strategy and the Strategy Formation Process – Stakeholders in business – Vision, Mission and Purpose – Business definition, Objectives and Goals - Corporate Governance and Social responsibility

**UNIT II** External Environment - Environmental Threat and Opportunity Profile (ETOP) – SWOT- Porter’s Five Forces Model-Strategic Groups Competitive Changes during Industry Evolution- Globalisation and Industry Structure - National Context and Competitive advantage Resources- Avoiding failures and sustaining competitive advantage


**UNIT IV** : The implementation process, Resource allocation, Designing organisational structure-Designing Strategic Control Systems- Matching structure and control to strategy-Implementing Strategic change-Politics-Power and Conflict-Techniques of strategic evaluation & control

**UNIT V:** Managing Technology and Innovation- Strategic issues for Non Profit organizations- New Business Models and strategies for Internet Economy

**REFERENCES**


**PAPER III FINANCIAL MARKETS, TREASURY AND RISK MANAGEMENT**

**Objectives**

- To acquaint with the nature of Indian Financial System
- To Understand the Treasury and Risk Management process in Banking
- To examine the role of commercial banks in the Indian Economy

**Unit – I: Indian Financial System**

Unit – II: Treasury management in Banking Industry

Concept and Functions of Treasury Management in Commercial banks-Treasury Products in Forex Market, Money Market and Securities Market-Funding and Regulatory aspects-CRR, SLR, Liquidity Adjustment Facility (LAF) and Payment and Settlement system.

Unit – III: Risk Management Process in Banking


Unit – IV: Commercial Banks and their Roles in Indian Economy


Unit – V: Profit planning activities of Banks through Subsidiary activities

Merchant Banking-IPO and Equity issue-Underwriting of Shares-Pricing of issue-Book building process-Profit earnings through non fund based activities like issue of LCs, Bank Guarantees etc. and other fee based activities. -Increasing liquidity and profitability through the process of Securitization.

REFERENCES


PAPER IV INTERNATIONAL FINANCIAL MANAGEMENT
Objectives:

- To explain the basic features and functions of Forex Market
- To develop an appreciation in Foreign Exchange Exposure and Management
- To understand the International Financial System

Syllabus

Unit - I: Foundations of International Financial Management


Unit – II: International Markets


Unit – III: Foreign Exchange Exposure and Management

Management of Transaction Exposure, Translation Exposure and Economic Exposure - Methods of hedging the exposures-Overview of Derivatives in hedging the risks-Forward Contracts, Swaps, Options and Futures.

Unit – IV: International Financial System

International Monetary System-Bretton Woods System-Flexible Exchange Rate system Fixed and Floating rate system-World Bank and its affiliates-International Monetary Fund-special drawing Rights.

Unit – V: Financing of International Trade-Indian Perspectives

International methods of Payments and settlements - Letter of Credit - Provisions of UCPDC - Exports and Imports - Exchange control requirements - Pre-shipment and Post Shipment finance - Factoring and Forfeiting services - Role of Exam Bank and ECGC.
References


PAPERV: STRATEGIC COST MANAGEMENT

Objectives

- To explain how the costing techniques are useful in the process of managerial decision-making
- To understand the role of a cost manager in pricing
- To familiarize the strategic cost management tools and techniques

Unit – I

Cost analysis and Management decisions – Concepts of Cost – Cost information – Cost behaviour – Cost structure today – Cost Volume Profit Analysis, its application and limitations – Discussions involving alternative choices – Curvilinear BEP – Cost indifference point.

Unit – II


Unit – III

Measuring total business unit performance – Financial and non financial – Balanced Score card and its perspectives. Divisional performance and segment performance

Unit – IV


Unit – V

Total Cost management and Value engineering – Cost control and cost reduction – Techniniques of cost reduction – Six sigma and cost manager – Benchmarking
References

5. Saxena and Vashist – Advanced Management Accounting Problem and Solution. Sultan chand ,2006

SEMESTER IV

PAPER I: ENTREPRENEURSHIP

Objectives: To enable the students have entrepreneurial motivation by providing the basic idea of entrepreneurship, business ideas, project writing and new venture creation


UNIT V: Monitoring and Evaluation of Business - Preventing Sickness and Rehabilitation of Business Units- Effective Management of small Business.

REFERENCES
2. Khanka S.S., Entrepreneurial Development, S.Chand and Company Limited

PAPER II: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Objectives:
• To familiarize with the concept of Investment, particularly in a capital market
• To explain how the Fundamental and Technical Analysis are useful in the process of Investment decisions
• To make aware of the various portfolio management techniques

Unit - I
Investment - Meaning - Classification - Features - Investment, Speculation and gambling - Factors influencing Investment - Investment Avenues in India. - Tax planning and Investment - Risk and Return - Systematic and unsystematic Risk - measurement of Risk and Return - Return on Investment.

Unit - II

Unit - III

Unit - IV

Unit - V


References

1. Fischer and Jordan, Security Analysis and Portfolio Management , 2004

PAPER III: DERIVATIVES MANAGEMENT

Objectives

1. To acquaint with the nature of Derivatives Market
2. To familiarize the determination of futures price and options price
3. To help exposure on options strategies and swaps

Unit I

Derivatives Markets - Derivatives: Meaning, History & functions of derivatives market, participants in Derivative market, Legal framework of derivatives market in India with respect to Stock, Currency and Commodity derivatives Futures market, Forwards and Futures contract, Similarities & Differences, Options,Types, American and European, In-the-money, At-the-money, Out-of-the money options, Listed Options, Futures and Options on Indices, Stock, Commodities, Energy, Foreign Exchange and Interest rate

Unit II

Unit III
Option Prices: Factors affecting call & put option prices, Determinants of Option values/premium, Restriction of option values, Black – Scholes formula, Call option valuation, Put option valuation, Hedge ratios, Binomial model.

Unit IV

Unit V
Swaps: Swaps-Evolution, Types, Interest rate swap, Designing and valuation, Currency swaps: designing and valuation, Swap pricing, Credit risk and swap market, Swap variations. Interest rate futures: Hedging interest rate risk using interest rate futures

References:
5. Varma A., Derivative and Risk Management (1st Edn.) Tata Mgra Hill

PAPER IV: FINANCIAL ANALYSIS AND REPORTING

Objectives:
- To Understand the Financial Statements for the purpose of analyzing
- To discuss the techniques of Financial Statement of Analysis
- To examine the Financial Distress and Scams

Unit I

Unit II
Techniques of FSA (Financial Statement Analysis) - Comparison- Intra firm, Inter firm, Inter period analysis, Regional performance analysis, Cross sectional analysis, Residual method, Beyond national boundary analysis-merits and limitations-Types of analysis- Comparative, common-size, trend analysis, Ratio analysis - merits and limitations
Unit III
Income Statement Analysis - Factors affecting reported income – Classification of income statement analysis-Barriers and measures to overcome objective income statement analysis-Revenue and expenses recognition-Techniques used by Management for earning manipulation.

Unit IV
Balance Sheet Analysis - Asset Reporting - Accounting for Fixed Assets – Accounting for Liabilities – Off Balance sheet liabilities

Unit V

References:

PAPER V: MANAGEMENT INFORMATION SYSTEMS

Objectives: Make the students to understand the interface of the Human Resources function with Operations, Marketing, and Finance functions and to impart knowledge on information systems and its relevance to business decisions.


UNIT II: Employment planning and forecasting – Recruitment, selection process-Sources- Induction-Orientation & Training - Management Development - On-the-job and


UNIT V: DSS: DSS models and software: The decision making process - Structured, Semi Structured and Unstructured problems; Managing Information Technology: Managing Information Resources and technologies - Security and Ethical Challenges: IS controls - facility control and procedural control

References

4. Waman S Jawadekar , "Management Information System Text and cases", TMH