Course Code	Course Name	Category	L	T	P	Credit
20MBA231	**FINANCIAL MARKETS AND SERVICES**	**Elective**	**3**	**0**	**0**	**3**

Preamble:

This course helps at providing detailed understanding of the nature and scope of financial system and innovations in financial services sector. The objective of this course is to provide an understanding of the structure, operations and trends in the Capital market and Money market. This will also help the student to understand the various financial products and their innovations in the financial markets.

Prerequisite: Nil

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Recall all the concept of Indian Financial System
CO 2	Illustrate the role of financial services in economic development
CO 3	Identifying the structure of merchant banking firms
CO 4	Analysing various approaches & process of credit rating
CO 5	Determine various financial service instrument

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	2	2	3	3	3
CO 2	2	3	2	2	2
CO 3	1	2	3	3	3
CO 4	2	1	2	3	2
CO 5	2	2	3	2	2

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	**2**	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance : 4 marks

Continuous Assessment Test (2 numbers) : 16 marks

Assignment/Quiz/Course project : 10 marks

Seminar and Discussion : 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Syllabus

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA231- FINANCIAL MARKETS AND SERVICES

Max. Marks: 60   Duration: 3 Hours

PART A
Answer *all* questions. Each question carries 2 marks.

1. What are the different capital market instruments?

2. Define two kinds of financial services?

3. Differentiate between credit cards and debit cards?

4. What is the specific role of CRISIL?

5. What is a venture capital?

(5x2 marks = 10 marks)

PART B
Answer any *three* questions. Each question carries 10 marks

6. What are the features of Money market?

7. Discuss the Challenges faced by the Financial Services Sector.

8. Define Merchant Banking? Explain the scope of merchant banking in India.

9. Explain the functions of credit rating agencies in India.

10. Discuss the factors influencing rapid growth of leasing in India.

(3x10 marks = 30 marks)

PART C

Compulsory question. This question carries 20 marks

11. a) What do you mean by new issue market? Explain its functions and methods of floating new issues.   (10 marks)

    b) Discuss the present state of the mutual funds in India and outline the causes of their slow growth.   (10 marks)

Module 1	**Indian financial system** – an overview. Money market – call money market – commercial paper market – commercial bill market – certificates of deposits – treasury bill market – gilt edged securities market. Capital market – an overview - capital market instruments - capital market reforms –primary markets – methods of raising funds from primary market- public issue global markets – issue of American depository receipts and global depository receipts – guide lines on their issue – emerging trends.
Module 2	**Financial services**- nature – characteristics – role of financial services in economic development – relevance of the study of financial services – factors influencing the growth and development of financial services industry – types of financial services. Financial innovation- causes of financial innovation- Innovative Financial Instruments- Challenges Facing the Financial Services Sector.
Module 3	**Merchant banking** – historical perceptive – nature of services provided by Merchant bankers – structure of merchant banking firm – setting up and managing a merchant bank – SEBI regulations on merchant banks – under writing – stock broking – depositories – tax planning services – portfolio management services – factoring services and practices – card business – credit cards and debit cards.
Module 4	**Credit rating:** approaches and process of rating – credit rating agencies – CRISIL and ICRA, CARE ratings for financial instruments – methodology of rating. Stock exchange business and practices – insurance – role of insurance in financial frame work – general insurance – life insurance – marine insurance and others.
Module 5	**Leasing:** concepts and classification of leasing – present legislative frame work of leasing – lease evaluation (lessor's and lessee's point of view)- tax aspects of leasing. Hire purchase: introduction – concepts and characteristics – legal aspects and tax implications – financial evaluation. Bill discounting and Factoring-Forfeiting- Securitization- Mutual Funds-Venture capital funds

Text Book
1. Pandian P., (2009). *Financial Services & Markets*, Vikas publishing. 2. Gordon. E and Natarajan K., (2016). *Financial Markets and Services,* Himalaya Publishing House.

References and Suggested Readings
1. Batra G.S. (2002). *Financial Services & Markets*, Deep & Deep Publications Pvt. Ltd. 2. Khan M.Y. (2007). *Financial Services*, Tata McGraw Hill, New Delhi. 3. Chandra P. (2011). *Financial Management: Theory and Practice*, Tata McGraw Hill, New Delhi. 4. Kothari C. R. (1991). *Investment Banking and Customer Service*, Arihand Publishers. 5. Fama E. F., *Foundations of Finance*, Basic Books Inc., New York.

Course Contents and Lecture Schedule

No	Topic	No. of Lectures
1	**Indian financial system**	
1.1	Money market	3 Hours
1.2	Capital market	2 Hours
1.3	Primary market	2 Hours
2	**Financial Services**	
2.1	Nature and characteristics	3 Hours
2.2	Factors, Types, Financial Innovations	2 Hours
2.3	Financial Innovations & Challenges	2 Hours
3	**Merchant Banking**	
3.1	History, Nature and Structure	2 Hours
3.2	SEBI regulation	2 Hours
3.3	Portfolio management	2 Hours
3.4	Factoring, Cards	2 Hours
4	**Credit Rating**	
4.1	Approaches and process	3 Hours
4.2	Stock exchanges & Business	2 Hours
4.3	Insurance	2 Hours
5	**Leasing**	
5.1	Leasing	2 Hours
5.2	Hire purchase	1 Hour
5.3	Factoring, forfeiting, Securitization	2 Hours
5.4	Mutual funds & Venture capital	2 Hours
	Total	36 Hours

Course Code	Course Name	Category	L	T	P	Credit
20MBA233	**PROJECT FINANCE**	Elective	3	0	0	3

Preamble:

The primary objective of this course is to help the students develop competencies to manage the financial side of a project execution effectively and efficiently. The course helps identify the necessary elements critical to project financing which includes risk identification and mitigation, methods of project appraisal, required financial projections and varied sources of funding.

Prerequisite: NIL

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Recall the various concept of a project finance.
CO 2	Illustrate project risk analysis.
CO 3	Identify the financial estimates and projections.
CO 4	Analyze the most appropriate financing structure to achieve financial closure.
CO 5	Assess the various sources of funding for different types of projects.

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	2	2	3	3	3
CO 2	2	3	2	2	2
CO 3	1	2	3	3	3
CO 4	2	1	2	3	2
CO 5	2	2	3	2	2

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	**2**	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance   : 4 marks

Continuous Assessment Test (2 numbers)   : 16 marks

Assignment/Quiz/Course project   : 10 marks

Seminar and Discussion   : 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA233- PROJECT FINANCE

Max. Marks: 60   Duration: 3 Hours

PART A
Answer *all* questions. Each question carries 2 marks.

1.   Define project finance?

2.   Outline Sensitivity analysis?

3.   What is CFADS?

4.   Distinguish between IRR and NPV?

5.   State various Developmental Financial Institutions?

(5x2 marks = 10 marks)

PART B
Answer any *three* questions. Each question carries 10 marks

6.   List out the parties involved in Project finance?

7.   Illustrate Decision tree analysis and Scenario analysis?

8.   Explain the importance of PLCR and LLCR?

9.   Examine key project finance ratios?
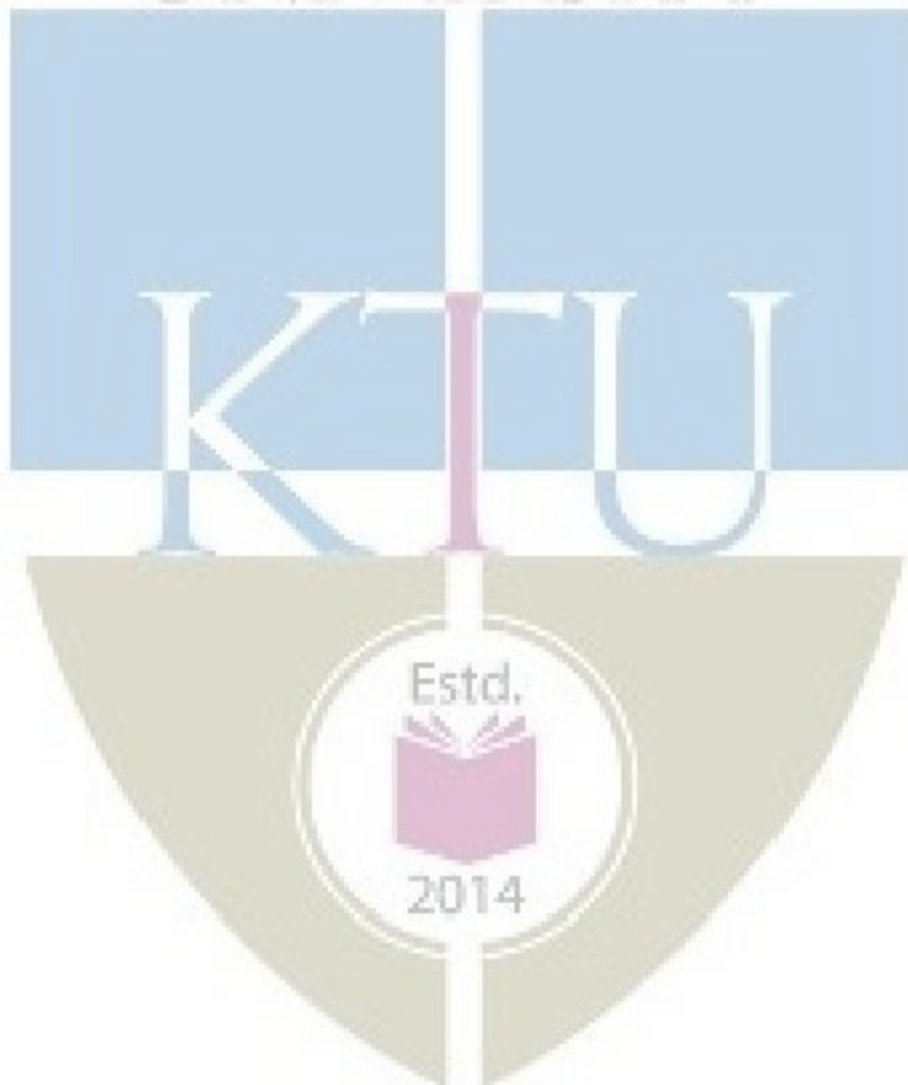
10.   Differentiate between ADR and GDR?

(3x10 marks = 30 marks)

PART C
Compulsory question. This question carries 20 marks

11.   a. Explain the various sources of financing? Give examples?   (10 marks)

        b. Discuss the present state of the International funding agencies?   (10 marks)

Syllabus	
	Introduction to Project Finance: Concept of project, types of projects, objectives, selection of project, project lifecycle; detailed project report (DPR); project finance; role of advisors in project finance, infrastructure projects, PPP models, parties involved in project finance – project company / borrower, sponsors /shareholders, banks, multilateral and export credit agencies, insurers, construction companies, operator and government.
Module 1	**Assessing risks in project finance** - Understanding risk allocation, mitigating and managing project Risk – entity risk, country and political risks, legal risk, industry risks, project risks, environment risks, construction risks, offtake - sales

	and supply risks, funding risks, refinancing risk, foreign exchange risk and interest rate risks.
Module 2	**Project risk analysis:** Sensitivity analysis, Scenario analysis, Simulation analysis, Decision tree analysis. **Project Appraisal:** Market & Demand Analysis, Technical Analysis, Competitive status of a project, Economic appraisal, Social cost benefit analysis, Environmental impact analysis.
Module 3	**Financial estimates and projections:** Estimation of cost of project & means of financing, estimates of sales and production, projected balance sheets, projected cash flow statement - net operating cash flow, free cash flow and discounted cash flow. Seniority and cash flow waterfall – cash flow available for debt service (CFADS) – debt service coverage ratios (DSCR), project life cover ratios (PLCR), loan life cover ratio (LLCR), cash flow before funding, cash flow available for debt service reserve account (DSRA), cash flow available to equity to calculate distributions, net cash flow.
Module 4	**Structuring Project Finance:** Repayment profiles and coverage ratio, key project finance ratios – sponsor's perspective, investors gearing benefits, key project finance ratios – lenders perspective, Capital Budgeting Decisions – IRR, NPV, higher order decisions – mutually exclusive projects, unequal life, inflation, working capital decisions, financial closure, credit risk ratings.
Module 5	**Source of Financing:** Internal accruals, equity capital (IPO, right issue, private placement, preference capital, debentures), term loan, securitization. Working capital financing. Funding agencies – commercial banks, development financial institutions, private equity, venture capital, crowd funding. International Funding – multilateral agencies (ADB & AFIC), external commercial borrowing (ECB), FCCBs, Foreign currency options, Depository Receipts – GDRs, ADRs.

Text Book

1. Chandra Prasanna. (2019). *Projects: Planning, Analysis, Selection, Financing, Implementation and Review.* Tata McGraw Hill, New Delhi.

2. Srivastava Vikas and Rajaraman V. (2017). *Project and Infrastructure Finance: Corporate Banking Perspective.* Oxford University Press, New Delhi.

References and Suggested Readings

1. Bodmer Edward, (2014). *Corporate and Project Finance Modelling: Theory and Practice.* John Wiley and Sons, New Delhi.
2. Esty Benjamin, (2003). *Modern Project Finance: A Casebook,* John Wiley & Sons, New Delhi.
3. Gatti Steffano, (2014). *Project Finance in Theory and Practice.* Academic Press, London.
4. Gupta Ambrish, (2017). *Project Appraisal and Financing.* PHI Learning, New Delhi.
5. Lester Albert, (2017). *Project Management, Planning and Control.* Butterworth-Heinnemann Elseiver Limited, Oxford.
6. Machiraju H.R., (2001). *Introduction to Project Finance – An Analytical Perspective.* Vikas Publishing House, New Delhi.
7. Pandey I. M., (2017) *Financial Management.* Vikas Publishing House, Noida.
8. Vanhorne James C. and Wachowicz Jr, John, (2018). *Fundamentals of Financial*

Management. Pearson Education, New Delhi.
9. Yescombe E.R., (2013). *Principles of Project Finance*. Academic Press, California.

Course Contents and Lecture Schedule

No	Topic	No. of Lectures
1	**Introduction to Project Finance:**	
1.1	Concept of project finance	3 Hours
1.2	Role of advisors in project finance	2 Hours
1.3	Assessing risks in project finance	3 Hours
2	**Project risk analysis**	
2.1	Sensitivity analysis, Scenario analysis.	2 Hours
2.2	Project appraisal	2 Hours
2.3	Competitive status of a project	2 Hours
3	**Financial estimates and projections:**	
3.1	Estimation of cost of project & means of financing	2Hours
3.2	Net operating cash flow	2 Hours
3.3	Cash flow available for debt service	2 Hours
3.4	Cash flow available for debt service reserve account (DSRA)	2 Hours
4	**Structuring Project Finance:**	
4.1	Key project finance ratios	3 Hours
4.2	Capital Budgeting Decisions	2 Hours
4.3	Working capital decisions	2 Hours
5	**Source of Financing:**	
5.1	Working capital financing.	2 Hours
5.2	Funding agencies	1 Hour
5.3	International funding	2 Hours
5.4	ADR and GDR	2 Hours
	Total	36 Hours

Course Code	Course Name	Category	L	T	P	Credit
20MBA235	COST ACCOUNTING AND BUDGET CONTROL	Elective	3	0	0	3

Preamble: The course on cost accounting and budget control will help students to have a good understanding of how corporate value creation is measured in practice, how business plans models are developed and what day-to-day business process looks like with respect to cost.

Prerequisite: Nil

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Recall all the concepts pertaining to Cost accounting and budget control covered in the course syllabus.
CO 2	Explain the basic concepts and processes in determination of cost of products and services
CO 3	Apply marginal costing in decision making
CO 4	Analyse the concept of Standard Costing for variance analysis
CO 5	Estimate various activities of the organisation on the basis of budgets.

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	2	2	3	2	3
CO 2	2	3	1	3	2
CO 3	1	2	3	2	3
CO 4	2	1	3	2	3
CO 5	3	2	1	3	2

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	**2**	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance   : 4 marks

Continuous Assessment Test (2 numbers)   : 16 marks

Assignment/Quiz/Course project   : 10 marks

Seminar and Discussion   : 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA235- COST ACCOUNTING AND BUDGET CONTROL

Max. Marks: 60   Duration: 3 Hours

PART A

Answer *all* questions. Each question carries 2 marks.

1. Define Integrated accounting system?

2. What is process costing?

3. Define Cost Volume Profit Analysis?

4. Differentiate fixed and flexible budget?

5. State the meaning of material variance?

(5x2 marks = 10 marks)

PART B

Answer any *three* questions. Each question carries 10 marks

6. State the differences between Cost Accounting and Financial Accounting.

7. List out the advantages and disadvantages of standard costing?

8. XYZ furnishes you the following data relating to the year 2017 Particulars:

Particulars	First half of the year	Second half of the year
Sales	45000	50000
Total cost	40000	43000

Assuming that there is no change in prices and variable cost and the fixed expenses are incurred equally in the two half year periods.

Calculate for the year 2017:

   a. P/V Ratio
   b. Fixed Expenses
   c. Break-Even Sales
   d. Percentage of Margin of Safety

9. Prepare a flexible budget at 80% and 100% activity on the basis of following information:

Production at 50% capacity	5000 units
Raw materials	Rs.80 per unit
Direct labour	Rs.50 per unit
Expenses	Rs.15 per unit
Factory expenses	Rs.50,000 (50% variable)
Administrative expense	Rs.60,000 (60% variable)

10. Data relating to a job are as follows:

Standard rate of wages per hour	Rs.6
Standard hours	300
Actual rate of wages per hour	Rs.7
Actual hours paid	280 (out of which 20 hours are abnormal)

Calculate labour variances?

(3x10 marks = 30 marks)

PART C
Compulsory question. This question carries 20 marks

11. The accounts of a machine manufacturing company disclose the following information for the six months ending 31st Dec., 2013.

Materials used	1,50,000
Direct wages	1,20,000
Factory overhead expenses	24,000
Office expenses	17,640

Prepare a Cost Sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at 1,250 and expenditure on productive wages of 750, so that the price may yield a profit of 20% on the selling price. For the purpose of price quotation, charge factory overhead as a percentage of direct wages and charge office overhead as a percentage of works cost.

(1x20 marks = 20 marks)

	Syllabus
Module 1	**Nature and Scope of Cost accounting:** meaning, importance & limitations of cost accounting, Costing- An Aid to management, distinction between Cost and Financial accounting, Costing system- characteristics of an ideal costing system, steps for installation, difficulties while installation and how to overcome these difficulties, role of cost accountant.
Module 2	**Methods / Types of Costing:** Unit or Output costing – Statement of Cost; Tender price, Quotation price and Estimation price - Estimation of tender price; Contract costing; Job and batch costing; Process costing – valuation of work-in progress; Operating costing.
Module 3	**Marginal Costing:** Calculation of marginal cost – make or buy decisions – product-mix decisions – pricing decisions – market expansion decisions – Divesting decisions; Breakeven analysis – cost-volume-profit analysis-P/V ratio-Margin of safety.
Module 4	**Budgeting and budgetary control:** budgeting and budgetary control – Classification of budgets – Sales budget, production budget, raw material budget, labour budget, overhead budget, cash budget - Fixed and flexible budget – zero based budgeting –responsibility accounting.
Module 5	**Standard costing:** Advantages and limitations of standard costing – application of standard costing – standard costing and budgetary control. Variance Analysis: Managerial uses of variance analysis –causes of variances – computation of material cost variances, labour cost variances.

Text Book

1. Jain S.P. & Narang K.L. (2012). *Cost and Management Accounting*; Kalyani Publishers, New Delhi.
2. Maheshwari S.N., (2016). *Cost Accounting - Theory & Problems (27th Edn.),* Mahavir Publications.
3. Arora M.N., *Cost and Management Accounting: Theory, Problems and Solutions*, Himalaya Publishing House, Mumbai.

References and Suggested Readings

1. Gupta M. P., (2007). *Cost Accounting Text and Problems*, S Chand & Co.
2. Saxena V.K. & Vashist C.D., (2011). *Cost and Management Accounting*, Sultan Chand & Sons.
3. Jaya Prakash Reddy R., *Cost Accounting and Control Systems*, APH publishing Corporation, Delhi
4. Ashish K. Bhattacharya, *Principles and Practices of Cost Accounting*, A. H. Wheeler publisher.

Course Contents and Lecture Schedule

No	Topic		No. of Lectures
1	**Nature and Scope of Cost accounting:**		
1.1	Definition, Scope, objectives and significance of cost accounting, its relationship with financial accounting and management accounting		3 Hours
1.2	Cost Objects, Cost centres and Cost Units		2 Hours
1.3	Elements of cost		2 Hours
2	**Methods / Types of Costing:**		
2.1	Unit costing/output costing		3 Hours
2.2	Estimation of tender price		2 Hours
2.3	Job costing, Batch costing, contract costing, process costing		2 Hours
3	**Marginal Costing:**		
3.1	Application of marginal costing		3 Hours
3.2	Break even analysis		2 Hours
3.3	Cost Volume profit analysis, Margin of safety		3 Hours
4	**Budgeting and budgetary control:**		
4.1	budgeting and budgetary control		2 Hours
4.2	Types of budgets		2 Hours
4.3	Zero based budgeting, Responsibility accounting.		3 Hours
5	**Standard costing:**		
5.1	Advantages and limitations of standard costing		2 Hours
5.2	Application of standard costing		2 Hours
5.3	Variance analysis		3 Hours
		Total	36 Hours

Course Code	Course Name	Category	L	T	P	Credit
20MBA237	SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT	Elective	3	0	0	3

Preamble: The course Security Analysis and Portfolio Management provides the basic knowledge and techniques to evaluate the stock performance in the security market and to enable the students to evaluate and give recommendations about the performance of stock to the various investing communities

Prerequisite: Nil

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Recall all the concepts of Security Analysis
CO 2	Choose the various tools of Technical Analysis for stock valuation
CO 3	Understand the concepts of Efficient market Hypothesis
CO 4	Examine various model relating to portfolio selection
CO 5	Evaluate various models of Revising and Evaluating portfolio

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	3	2	1	3	3
CO 2	3	3	1	3	2
CO 3	3	3	1	3	3
CO 4	3	3	1	3	2
CO 5	3	3	1	3	1

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	**2**	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance   : 4 marks

Continuous Assessment Test (2 numbers)   : 16 marks

Assignment/Quiz/Course project   : 10 marks

Seminar and Discussion   : 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA237- SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Max. Marks: 60   Duration: 3 Hours

PART A
Answer *all* questions. Each question carries 2 marks.

1   What do you mean by present value?
2   What is EMA?
3   What is weak form of market efficiency?
4   What is feasible set of portfolio?
5   Explain portfolio evaluation?

(5x2 marks = 10 marks)

PART B
Answer any *three* questions. Each question carries 10 marks

6   What are the various tools and techniques used in security analysis?

7   Efficient market theory repudiates both the fundamental and technical analysis. Discuss.

8   Distinguish between constant growth model and multiple growth models.

9   What are the various portfolio revision strategies and what are the various factors affecting portfolio revision?

10 Two securities A and B generate an expected return of 15% and 20% and standard deviation of 50% and 30% respectively. Construct a portfolio with 40% fund invested in security A and 60% fund in Security B if the correlation coefficient between A and B is -0.6.

(3x10 marks = 30 marks)

PART C
Compulsory question. This question carries 20 marks

11 a) Calculate Sharpe ratio and Treynor ratio from the following. If the risk-free rate of return is 7 percent, also evaluate the performance of Fund 'A' and 'B' based on the market index.

Fund	Rate of return	Standard deviation	Systematic risk (Beta)
A	12	18	0.7
B	19	25	1.3
Market index	15	20	1.0

(10)

b) What is the significance of risk-free return in portfolio evaluation?   (10)

Syllabus	
Module 1	**Introduction to SAPM** Meaning and Relevance of Investment –Various Investment Avenue - Security Market –various types of security –Equity share, Government Security and Mutual Funds -Security Analysis –Fundamental Analysis - concept of intrinsic value –calculation of EPS and PE ratio –Share valuation model –Constant Growth model –Multiple Growth Model.
Module 2	**Technical Analysis of Security** Introduction to Dow Theory, Relevance of Elliot wave theory in Technical Analysis –Various tools and technique of Technical Analysis -line charts, bar charts – Japanese candlestick –EMA - Oscillators-Rate of Change Indicators – Relative Strength Index- calculation of Support and Resistance level -The On-Balance-Volume indicator-Average Directional Index.
Module 3	**Efficient Market Theory** Efficient market Hypotheses - Random walk theory - forms of market efficiency –weak form, semi-strong form and strong form of market efficiency – empirical tests of market efficiency-comparison of Efficient Market Hypothesis and Fundamental Analysis-Efficient Market Hypothesis and Repudiation of Technical Analysis.
Module 4	**Portfolio analysis and selection** Measurement of return and risk of portfolios – two assets model of portfolio – Risk reduction through portfolio diversification – Relationship between portfolio –Covariance and Correlation coefficient- portfolio selection – Markowitz Portfolio Theory (MPT) – feasible set – efficient frontier – Sharpe's single index model – Capital Asset Pricing Model (CAPM) – pricing of securities with CAPM and Security Market Line – multifactor models – Arbitrage Pricing theory.
Module 5	**Portfolio Revision and Evaluation** Portfolio revision – need –factors affecting portfolio revision – Portfolio revision strategies – Formula plans - portfolio evaluation – need – benchmarks-Relationship between security return and market return expressed in terms of Beta- concept of Risk-free return and Risk Adjusted Return -Sharpe ratio or Reward to variability ratio and Treynor ratio or Reward to volatility ratio – Differential return using Jensen's measure – Fama's decomposition model.

Text Book

1. Kevin S., (2006). *Security Analysis and portfolio Management,* PHI, New Delhi.
2. Punithavathy Pandian, (2012) *Security Analysis and Portfolio Management*, Vikas Publications
3. Donald E. Fischer and Ronald E. Jordan, (2018). *Security Analysis and Portfolio Management*, Pearson Education

References and Suggested Readings

1. Avadhani V. A. *Securities Analysis and Portfolio Management*, Himalaya Publishing.
2. Graham B., & David Dodd, *Security Analysis,* Whittlesey House, McGraw-Hill.
3. Farrell James L., *Portfolio Management: Theory and Application*, McGraw- Hill.
4. Prasanna Chandra, *Investment Analysis and Portfolio Management*, TMH.
5. Francis J. C., *Investment Analysis and Management*, McGraw- Hill, New York.

Course Contents and Lecture Schedule

No	Topic	No. of Lectures
1	**Introduction to SAPM**	
1.1	Meaning and Relevance of Investment –Various Investment Avenue	1 Hours
1.2	Security Market –Equity share, Government Security and Mutual Funds	2 Hours
1.3	Security Analysis –Fundamental Analysis - concept of intrinsic value	1 Hours
1.4	EPS and PE ratio –Share valuation model –Constant Growth model – Multiple Growth Model	3 Hours
2	**Technical Analysis of Security**	
2.1	Introduction to Dow Theory, Relevance of Elliot wave theory in Technical Analysis	2 Hours
2.2	Line charts, bar charts – Japanese candlestick –EMA	2 Hours
2.3	Oscillators-Rate of Change Indicators –Relative Strength Index	2 Hours
2.4	Support and Resistance level -The On-Balance-Volume indicator-Average Directional Index	2 Hours
3	**Efficient Market Theory**	
3.1	Random walk theory - forms of market efficiency –weak form, semi-strong form and strong form of market efficiency	3 Hours
3.2	empirical tests of market efficiency	2 Hours
3.3	Fundamental Analysis-Efficient Market Hypothesis and Repudiation of Technical Analysis	2 Hours
4	**Portfolio Analysis and Selection**	
4.1	Measurement of return and risk of portfolios – two assets model of portfolio	2 Hours
4.2	Relationship between portfolio –Covariance and Correlation coefficient	1 Hours
4.3	portfolio selection –Markowitz Portfolio Theory (MPT) – feasible set efficient frontier - Sharpe's single index model	2 Hours
4.4	Capital Asset Pricing Model (CAPM) – pricing of securities with CAPM and Security Market Line and – Arbitrage Pricing theory	3 Hours
5	**Portfolio Revision and Evaluation**	
5.1	Need –factors affecting portfolio revision – Portfolio revision strategies – Formula plans	3 Hours
5.2	Portfolio evaluation – need – benchmarks, calculation of Beta, Risk Adjusted Return -Sharpe ratio and Treynor ratio	3 Hours
	Total	36 Hours

Course Code	Course Name	Category	L	T	P	Credit
20MBA239	**MANAGING BANKS AND FINANCIAL INSTITUTIONS**	Elective	3	0	0	3

Preamble: The course on Managing Banks and Financial Institutions provides basic knowledge of banking and its regulatory aspects. The course gives an insight to the students with the latest banking landscape and understand the banking products and services. It helps in understanding the risks involved in banking operations and the methods of mitigation. This course also introduces the all-India financial institutions and merchant banking.

Prerequisite: Nil

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Explain the concepts of Banking system and its functions
CO 2	Study the functions of commercial banks
CO 3	Understand the role of technology in Banking
CO 4	Analyse the risks involved in banking sector
CO 5	Assess the newer developments in banking business

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	3		1	3	2
CO 2	3		1	3	2
CO 3	3	1	1	3	2
CO 4	3	1	1	3	2
CO 5	2		1	3	2

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	**2**	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance	: 4 marks
Continuous Assessment Test (2 numbers)	: 16 marks
Assignment/Quiz/Course project	: 10 marks
Seminar and Discussion	: 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA239- MANAGING BANKS AND FINANCIAL INSTITUTIONS

Max. Marks: 60   Duration: 3 Hours

PART A
Answer *all* questions. Each question carries 2 marks.

1. Explain priority sector lending.

2. What is Garnishee Order.

3. Compare NEFT and RTGS.

4. Define Credit Risk

5. What are the activities in 'Universal Banking'?

(5x2 marks = 10 marks)

PART B
Answer any *three* questions. Each question carries 10 marks

6. Explain the structure of Banking in India.

7. Briefly explain the functions of Commercial Banks.

8. 'Technology has given a new route to Banking Business in India'. Analyse this statement.

9. Explain the 'three pillars' of Basel II norms. Why they are important?

10. What are the major functions of Merchant Bankers? Substantiate their presence in India

(3x10 marks = 30 marks)

PART C

Compulsory question. This question carries 20 marks

11. (a) Explain Income Recognition and Asset Classification (IRAC) norms.

(b) Various asset categories need different provisions. Explain with an imaginary example.

(1x20 marks =20marks)

Syllabus	
Module 1	**Banking System in India** Overview of Banking System in India: Evolution of banks–Structure of Banking in India–Whole sale banking–Retail banking –Fund based and Non-Fund Based Income –Ancillary Services – Agency Services –Credit Creation –Priority Sector Lending –Regulatory Provisions governing Banks, Important Provisions of Banking Regulation Act and RBI Act. Role of RBI- Constitution, Objectives, Functions of RBI; Tools of Monetary Control; Regulatory measures- Restrictions on Lending.
Module 2	**Functions of Commercial Banks** Functions of Commercial Banks- Agency Services – General utility services-Credit Creation- Banker Customer Relationship-Bankers as a Trustee & an Agent-Appropriation of Payment- Right of Lien & Set off–Garnishee Order-Law of Limitation. Different Deposit Products & Services offered to Customers. Bankers' Special Relationship Mandate; POA; KYC/ AML norms, PMLA Act; KYC Norms Garnishee Orders; Banker's Lien; Right of Set off; Opening accounts of various types of customers, Operational Aspects of opening and Maintaining Accounts of different types of customers; Banking Ombudsman Scheme; Cash Operations, Cash Management Services and its Importance.
Module 3	**Technology in Banking** Evolution of technology in bank operation: Bank computerization, Banking Software, Core Banking – Opportunities and Challenges, Any Where Banking, ATM, Cashless Banking – Tele Banking, SMS Banking, Internet Banking and Mobile Banking, ECS, CTS Cheque, Plastic Money, Remittance Facilities & Clearing System, Fund Transfer – NEFT/RTGS/SWIFT. E wallet, White Label ATM.
Module 4	**Risk Management and Credit Monitoring** Evaluating Banking Performance – ROE Model – CAMEL Rating-GAAP Probability Analysis- Balance Score Card- Risk Management Various risks in Banking- credit risk, market risk and operational risk, Asset Liability Management- Non-Performing Assets (NPA) – IRAC Norms BASEL Norms. CIBIL Rating, Principles of Lending, Working Capital Assessment and Credit Monitoring-Cardinal Principles; Non-fund Based Limits; WC; Term Loans; Credit Appraisal Techniques; Credit Monitoring & Its Management; Base Rate, MCLR.
Module 5	**Trends in Indian Banking Sector** Recent trends in Indian Banking Sector: Financial inclusion- Branchless banking, Universal Banking, Small Finance Banks and Payment Banks, Fee Based Income – Banking: changing dynamics in banking industry Role and functions of Financial institutions- SIDBI, NABARD, NHB, HDFC, LIC Housing Corporation, EXIM Bank; Import-Export finance – LCs, Forfaiting, Pre shipment and Post shipment finance; Role and functions of Merchant Banks.

Text Book
1. Gorden E. and Natarajan K., (2019). *Banking Theory, Law and Practice*, Himalaya Publishing House, Mumbai.
2. Indian Institute of Banking and Finance, (2017). *Principles and Practices of Banking*, 3rd edition, MacMillan Education, Mumbai.
3. Dutta Vinay and Singh Kanhaiya, (2013). *Commercial Bank Management*, Tata McGgraw- Hill Education India, Mumbai.

References and Suggested Readings
1. Muraleedharan D., (2014). *Modern Banking: Theory and Practice*, PHI Learning Pvt. Ltd., Mumbai.
2. Shekhar K.C. and Lekshmy Shekhar, (2013). *Banking- Theory and Practice*, 21st edition, Vikas Publishing House Pvt. Ltd.
3. Suresh Padmalatha & Paul Justin, (2017). *Management of Banking and Financial Services*, Person Education, Mumbai.
4. Shelagh, Hefernan, (2004). *Modern Banking*, Wiley Publications, London.

Course Contents and Lecture Schedule

No	Topic	No. of Lectures
1	**Banking System in India**	
1.1	Overview of Banking System in India: Evolution of banks	3 Hours
1.2	Regulatory Provisions governing Banks,	2 Hours
1.3	Functions of RBI; Tools of Monetary Control	2 Hours
2	**Functions of Commercial Banks**	
2.1	Banker Customer Relationship	3 Hours
2.2	Different Deposit Products & Services offered to Customers	2 Hours
2.3	Cash Management Services and its Importance	3 Hours
3	**Technology in Banking**	
3.1	Evolution of technology in bank operation	2 Hours
3.2	Opportunities and Challenges	3 Hours
3.3	Remittance Facilities & Clearing System	2 Hours
4	**Risk Management and Credit Monitoring**	
4.1	Evaluating Banking Performance	3 Hours
4.2	Risk Management Various risks in Banking	2 Hours
4.3	Working Capital Assessment and Credit Monitoring	2 Hours
5	**Trends in Indian Banking Sector**	
5.1	Recent trends in Indian Banking Sector	3 Hours
5.2	Changing dynamics in banking industry	2 Hours
5.3	Role and functions of Merchant Banks	2 Hours
	Total	36 Hours

Course Code	Course Name	Category	L	T	P	Credit
20MBA241	ENTREPRENEURIAL FINANCE	Elective	3	0	0	3

Preamble: To provide intermediate-level understanding of how to create, finance, manage and evaluate start-ups as well as investing in other companies as a venture capitalist.

Prerequisite: NIL

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Develop a unique understanding of Entrepreneurial finance fundamental concepts
CO 2	Learn how to effectively finance the business requirements.
CO 3	Acquire knowledge on financial modelling and strategic planning.
CO 4	Learn to estimate the financial requirements and evaluate Govt schemes.
CO 5	Explore the international sources of funds and their methods.

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	3	2	2	1	1
CO 2	3	2	2	1	2
CO 3	3	2	2	2	1
CO 4	3	2	2	1	2
CO 5	3	2	1	2	1

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	2	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance   : 4 marks

Continuous Assessment Test (2 numbers)   : 16 marks

Assignment/Quiz/Course project   : 10 marks

Seminar and Discussion   : 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA241- ENTREPRENEURIAL FINANCE

Max. Marks: 60   Duration: 3 Hours

PART A
Answer *all* questions. Each question carries 2 marks.

1. List out the types of entrepreneurial Finance.
2. Define Angel Financing.
3. Compare Venture Finance and Corporate Finance.
4. Explain Special Zone Financing
5. What is FCCB?

(5x2 marks = 10 marks)

PART B
Answer any *three* questions. Each question carries 10 marks

6. Explain the various sources of Seed Finance.
7. Briefly explain the regulatory framework related to Crypto currency.
8. What are the different venture capital valuation methods?
9. Bring out the various initiatives and financial schemes of Government for entrepreneurs.
10. What ADR and GDR? Explain the procedure for issuing the same.

(3x10 marks = 30 marks)

PART C
Compulsory question. This question carries 20 marks

11. If Investment proposal is Rs 45,00,000 and risk-free rate is 5%, Calculate net present value under certainty equivalent technique.

Year	Expected Cash flow (INR)	Certainty Equivalent coefficient
1	10,00,000	0.90
2	15,00,000	0.85
3	20,00,000	0.82
4	25,00,000	0.78

(1x20 marks = 20 marks)

Syllabus	
Module 1	Introduction and overview of entrepreneurial process - entrepreneurial finance-types, stages –traditional and modern sources of financing- Developing the Business Idea – sources of seed finance-different kinds of business models and their suitable finances- Organizing and Financing a New Venture-financial requirements and their sources for MSMEs, Partnership business, Social entrepreneurship, LLP, Private company, Public company and MNCs.
Module 2	Angel capital, process, features and legal environment, private equity-IPO-FPO-ICO-crypto currency, features, types, legal frame work and trading mechanism, -crowd funding-P2P loans, lending platform and regulations-public and private financing-financial statements of a venture, -cash flow statement-Calculation of the value of a venture. Factors determining choice of the sources of fund.
Module 3	Managing cash flow - types and costs of financial capital - valuing early-stage ventures - venture capital valuation methods - real estate investment ventures-differences between new venture finance and corporate finance-finance of large public corporations- means of testing assumptions, validating, learning, measuring, signaling - recognize the importance of financial modeling and strategic planning -venture capital industry - contracts that are used in the industry-potential challenges faced by entrepreneurial initiatives.
Module 4	Estimation of future financial needs using financial Statements- Evaluating operating and financial performance for determining working capital requirements- Venture Capital method, Chicago method, discounted cash flow using either risk-adjusted discount rate or certainty equivalent approach, relative value-Govt initiatives and financial schemes for entrepreneurs-tax benefits-special zone financing- export financing-Bank guarantee- retained earnings.
Module 5	International Capital Markets - American Depository Receipts (ADR's) - Global Depository Receipts (GDR's) - Foreign Currency Convertible Bonds (FCCB's) etc.-state based start-up funding-procedures and limits-subsidies-bank loans-Factoring-Leasing-Revenue based financing-initial investment decision - costs and benefits of the various exit alternatives, including IPO and merger- relevant capital structures- Value options- mezzanine financing and buy-outs-corporate and strategic venture funds -exiting the entrepreneurial phase-financial distress and understand the options

Text Book

1. Philip J. Adelman and Alan M. Marks (2013). *Entrepreneurial Finance* (6th Edition). Pearson Education.
2. Steven Rogers and Roza Makonnen (2014). Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur (3rd Edition). McGraw-Hill Education.

References and Suggested Readings

1. Janet Kiholm Smith and Richard L. Smith (2019). Entrepreneurial Finance: Venture Capital, Deal Structure & Valuation (2nd Edition). Stanford Business Books.

2. Lee (2019). Entrepreneurial Finance: A Practical Approach (binder-ready loose-leaf). Chicago Business Press.

3. Frank J. Fabozzi (2016). Entrepreneurial Finance and Accounting for High-Tech Companies. MIT Press.

4. J. Leach and Ronald Melicher (2017). Entrepreneurial Finance. South-Western College Publishing.

5. Luisa Alemany and Job J. Andreoli (2018). Entrepreneurial Finance: The Art and Science of Growing Ventures. Cambridge University Press.

Course Contents and Lecture Schedule

No	Topic	No. of Lectures
1	**Module 1**	
1.1	Introduction and overview of entrepreneurial process - entrepreneurial finance- types, stages –traditional and modern sources of financing- Developing the Business Idea.	2 Hours
1.2	Sources of seed finance-different kinds of business models and their suitable finances- Organizing and Financing a New Venture.	2 Hours
1.3	Financial requirements and their sources for MSMEs, Partnership business, Social entrepreneurship, LLP, Private company, Public company and MNCs.	3 Hours
2	**Module 2**	
2.1	Angel capital, process, features and legal environment, private equity-IPO-FPO-ICO-crypto currency, features, types, legal frame work and trading mechanism,	2 Hours
2.2	Crowd funding-P2P loans, lending platform and regulations-public and private financing-financial statements of a venture, -cash flow statement.	2 Hours
2.3	Calculation of the value of a venture. Factors determining choice of the sources of fund.	3 Hours
3	**Module 3**	
3.1	Managing cash flow - types and costs of financial capital - valuing early-stage ventures - venture capital valuation methods - real estate investment ventures-differences between new venture finance and corporate finance-	2 Hours
3.2	Finance of large public corporations- means of testing assumptions, validating, learning, measuring, signaling -	2 Hours
3.3	Recognize the importance of financial modeling and strategic planning -venture capital industry - contracts that are used in the industry-potential challenges faced by entrepreneurial initiatives.	3 Hours
	Module 4	

	4.1	Estimation of future financial needs using financial Statements-Evaluating operating and financial performance for determining working capital requirements.	2 Hours
	4.2	Venture Capital method, Chicago method, discounted cash flow using either risk-adjusted discount rate or certainty equivalent approach, relative value.	2 Hours
	4.3	Govt initiatives and financial schemes for entrepreneurs-tax benefits-special zone financing- export financing-Bank guarantee- retained earnings.	3 Hours
5		**Module-5**.	
	5.1	International sources of finance- International Agencies and Development Banks- International Capital Markets- American Depository Receipts (ADR's)- Global Depository Receipts (GDR's)- Foreign Currency Convertible Bonds (FCCB's) etc.-	2 Hours
	5.2	State based start-up funding-procedures and limits-subsidies-bank loans-Factoring-Leasing-Revenue based financing-initial investment decision.	3 Hours
	5.3	Costs and benefits of the various exit alternatives, including IPO and merger- relevant capital structures- Value options- mezzanine financing and buy-outs-corporate and strategic venture funds -exiting the entrepreneurial phase-financial distress and understand the options.	3 Hours
		Total	36 Hours
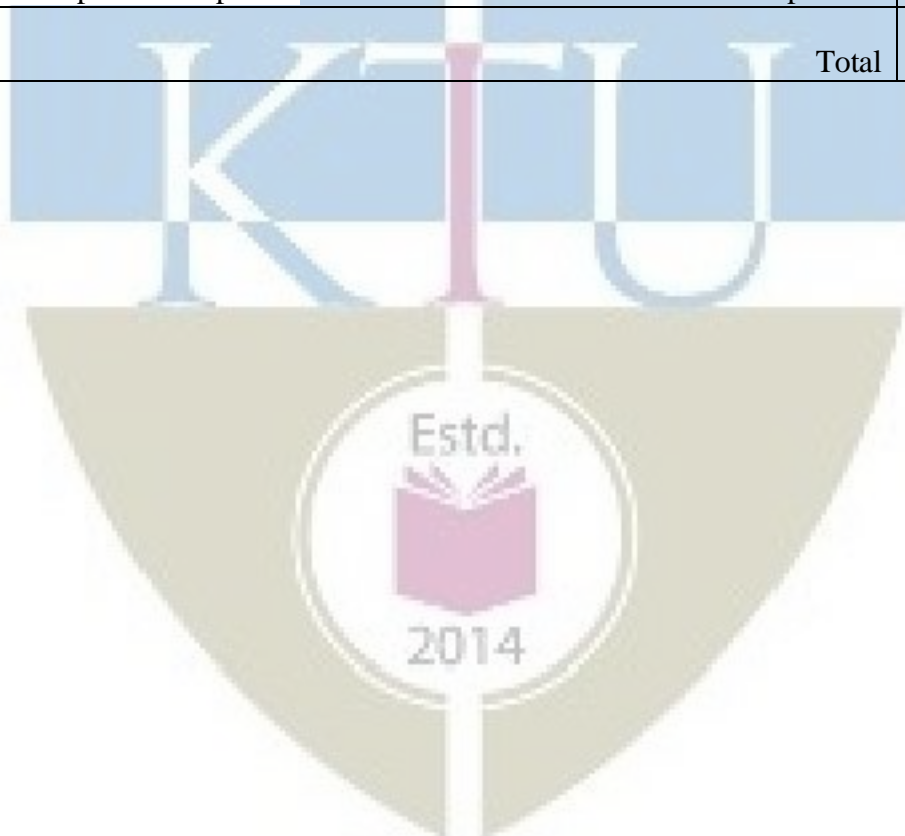
Course Code	Course Name	Category	L	T	P	Credit
20MBA243	**INTERNATIONAL FINANCE**	Elective	3	0	0	3

Preamble: The course International Finance provides the basic knowledge and techniques to evaluate the importance of Foreign Exchange in International business. It enables the students to evaluate and give recommendation about International Financial Environment.

Prerequisite: Nil

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Remember the concepts of International Financial Environment
CO 2	Apply the concepts of Foreign Exchange Market
CO 3	Understand the fixed and floating exchange rate
CO 4	Explain the concept of Purchasing power parity and Interest rate parity
CO 5	Understand the concept of International Financial Markets

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	3	2	1	3	3
CO 2	3	3	1	3	2
CO 3	3	3	1	3	3
CO 4	3	3	1	3	2
CO 5	3	3	1	3	1

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	2	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		

Mark distribution

Total Marks	CIE	ESE	ESE Duration
100	40	60	3 hours

Continuous Internal Evaluation Pattern:

Attendance   : 4 marks

Continuous Assessment Test (2 numbers)   : 16 marks

Assignment/Quiz/Course project   : 10 marks

Seminar and Discussion   : 10 marks

End Semester Examination Pattern:

There will be three parts; Part A, Part B and part C. Part A contains 5 questions (one question each from each module) of 2 marks each (Students should answer all questions). Part B contains 5 questions (one question each from each module) of 10 marks each (Students have the choice of answering any three questions). Part C contains a compulsory question (can have sub-divisions) of 20 marks (from any of the modules or combination) may be in application-level or case study.

Model Question paper

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

THIRD SEMESTER MBA DEGREE EXAMINATION

20MBA243- INTERNATIONAL FINANCE

Max. Marks: 60   Duration: 3 Hours

PART A
Answer *all* questions. Each question carries 2 marks.

1   What do you mean by Balance of Payment?
2   What is Nostro account?
3   What are the different types of Exchange rates?
4   Explain the term Arbitrageurs.
5   Explain Forward margins.

(5x2 marks = 10 marks)

PART B
Answer any **three** questions. Each question carries 10 marks

6   Explain the functions of International Financial Manager.
7   Discuss the evolution of foreign exchange market and foreign exchange system.
8   Explain International Monetary system.
9   Explain the types of Forex market participants.
10   Explain the participants of International Financial Markets

(3x10 marks = 30 marks

PART C

Compulsory question. This question carries 20 marks

11   a.   Explain the RBI intervention in Forex market.   10

     b.   Explain the concept of Purchasing Power Parity Theory.   10

Syllabus	
Module 1	**Introduction to International Financial Environment** Global economy-Financial Globalization experiences from India- Functions of International Financial Manger-International financial transaction – Balance of payment, meaning and structure-Emergence of International Banks- Euro banks-Banks for International settlements (BIS) – IMF its functions- Special schemes of lending – IMF role in providing international liquidity SDR's
Module 2	**Foreign Exchange Market** Evolution of foreign exchange market and foreign exchange system-Foreign exchange rates- Types of foreign exchange transaction- Types of Forex market participants- Hedger- Speculator- Arbitrageurs – Foreign exchange markets in India- RBI intervention in Forex market- Vostro and Nostro accounts- forward markets – Forward margins- Factors affecting forward rates- Exchange rate Quotations
Module 3	**International Monetary System** Introduction to International monetary system- Gold standard – Paper currency standards- Bretton woods system- Exchange rate- Fixed and Floating – Theories of Exchange rate- Currency Board system- Basket system- Currency Risk Management- Macro economic factors affecting exchange rates- Foreign exchange operations of banks
Module 4	**Purchasing Power Parity and Interest rate Parity** Fisher effect- International Parity conditions and Indian foreign exchange market integration- Exchange rate forecasting- Foreign exchange contract- Spot forex transaction- Forward forex transaction – Forex future contract- Foreign currency swap – Foreign currency option – Forex transaction in India
Module 5	**International Financial Markets** Introduction – Participants of International Financial Markets- International Financial institutions- Euro market- International Equity market and Indian ADRs and GDRs- International Bond market- Types of International Bond market- Bonds issued by Indian companies- Financing international trade- Letters of Credit- Pre and Post Shipment Export Finance- Export Credit Insurance

Text Book
1. Jain P.K., Josette Peyrard, Surendra S. Yadav, (2016). *International Financial Management*, Macmillan India Ltd. 2. Sharan V., (2012). *International Financial Management*, PHI, New Delhi. 3. Madhu V.I.J., (2010). *International Financial Management*, Excel books, New Delhi. 4. Apte P. G., (2006). *International Financial Management*, Tata McGraw-Hill.
References and Suggested Readings
1. Borio C., McCauley R., McGuire P., Sushko V., *Bye-bye covered interest parity,* Voxeu.org, 28 September 2016. 2. Borio C., McCauley R., McGuire P. and Sushko V., (2016), "*Covered interest parity lost: understanding the cross-currency basis", BIS Quarterly Review*, September 2016. 3. Adolfo Barajas, Andrea Deghi, Salih Fendoglu, and Yizhi Xu, *Global Financial*

Stability Notes: The Strains in Offshore US Dollar Funding during the COVID-19 Crisis: Some Observations, Monetary and Capital Markets. IMF July 2020.

Course Contents and Lecture Schedule

No	Topic	No. of Lectures
1	**Introduction to International Financial Environment**	
1.1	Global economy-Financial Globalization experiences from India-Functions of International Financial Manger-International financial transaction	3 Hours
1.2	Balance of payment, meaning and structure-Emergence of International Banks- Euro banks- Banks for International settlements (BIS)	2 Hours
1.3	IMF its functions- Special schemes of lending – IMF role in providing international liquidity SDR's	3 Hours
2	**Foreign Exchange Market**	
2.1	Evolution of foreign exchange market and foreign exchange system-Foreign exchange rates- Types of foreign exchange transaction	3 Hours
2.2	Types of Forex market participants- Hedger- Speculator- Arbitrageurs – Foreign exchange markets in India	2 Hours
2.3	RBI intervention in Forex market- Vostro and Nostro accounts forward markets – Forward margins- Factors affecting forward rates.- Exchange rate Quotations	2 Hours
3	**International Monetary System**	
3.1	Introduction to International monetary system- Gold standard – Paper currency standards- Bretton woods system	2 Hours
3.2	Exchange rate- Fixed and Floating –Theories of Exchange rate - Currency Board system- Basket system	2 Hours
3.3	Currency Risk Management- Macro economic factors affecting exchange rates- Foreign exchange operations of banks	3 Hours
4	**Purchasing Power Parity and Interest rate Parity**	
4.1	Fisher effect- International Parity conditions and Indian foreign exchange market integration- Exchange rate forecasting	3 Hours
4.2	Foreign exchange contract- Spot forex transaction- Forward forex transaction – Forex future contract- Foreign currency swap	2 Hours
4.3	Foreign currency option – Forex transaction in India	2 Hours
5	**International Financial Markets**	
5.1	Introduction – Participants of International Financial Markets-International Financial institutions- Euro market- International Equity market and Indian ADRs and GDRs	3 Hours
5.2	International Bond market- Types of International Bond market-Bonds issued by Indian companies- Financing international trade	3 Hours
5.3	Letters of Credit- Pre and Post Shipment Export Finance- Export Credit Insurance	2 Hours

Course Code	Course Name	Category	L	T	P	Credit
20MBA245	STATISTICS METHODS FOR FINANCIAL ANALYTICS	Elective	3	0	0	3

Preamble: This course prepares the student to apply state of the art technologies with analytics to solve business problems.

Prerequisite: Nil.

Course Outcomes: After the completion of the course the student will be able to:

CO 1	Develop a unique understanding of time series concepts and techniques
CO 2	Learn how to use R effectively in finance.
CO 3	Acquire knowledge on Python for Financial Applications.
CO 4	Learn the Practical Aspects of Database Design for finance.
CO 5	Explore applied Statistics with Applications in Finance.

Mapping of course outcomes with program outcomes

	PO 1	PO 2	PO 3	PO 4	PO 5
CO 1	3	2	2	1	1
CO 2	3	2	2	1	2
CO 3	3	2	2	2	1
CO 4	3	2	2	1	2
CO 5	3	2	1	2	1

Assessment Pattern

Bloom's Category	Continuous Assessment Tests (in %)		End Semester Examination (in marks)
	1	2	
Remember	20	20	10
Understand	40	40	30
Apply	40	40	20
Analyze			
Evaluate	Can be done through Assignments/ Seminars/Mini Projects		
Create	Can be done through Assignments/ Seminars/Mini Projects		