

**MASTER OF COMMERCE IN FINANCE**  
**M.Com (Finance)**

**COURSE STRUCTURE**

**First Year**

H1010	Management Concepts
H1020	Indian Capital Market and Financial System
H1030	Accounting and Finance for Managers
H1040	Quantitative Techniques for Managerial Decision Making \
H1050	Management of Financial Services

**Second Year**

H2010	Capital Budgeting and Financial Decisions
H2020	Working Capital Management
H2030	Security Analysis and Portfolio Management
H2040	International Business Finance
H2050	Global Financial Markets and Instruments

\*\*\*\*\*

**MASTER OF COMMERCE IN FINANCE**  
**M.Com (Finance)**

**COURSE CODE: 22**

**SUBJECT CODE : H1010**

**FIRST YEAR**

**PAPER – I - MANAGEMENT CONCEPTS**

UNIT I	Nature and Process of Management: Management as Science, Art and Profession – Professionalisation of Management in India – Current Trends – Management levels vis-à-vis Skills.
UNIT II	Manager and Environment: Systems Approach to Management – Responsibilities of Management.
UNIT III	Planning: Principles of Planning – Types of Plans – Steps in Planning – Limitations of Planning.
UNIT IV	Decision – Making Models and Techniques – Management By Objectives (MBO) – Policy Formulation.
UNIT V	Organising Process: Organisation Structure and Design – Span of management – Delegation and Decentralisation – Line and Staff Relationships.
UNIT VI	Essentials of Directing: Motivation Techniques – Leadership Styles – Communication Process.
UNIT VII	Controlling: Process of Control – Prerequisites of Controlling Systems – Methods of Control.
UNIT VIII	Comparative management Styles with Special Reference to Japanese Management Practices – Organisational Creativity and Innovation – Entrepreneurial Management.

**Reference Books:**

1. Harold Koontz & Heinz Weirich: 'Management', McGraw Hill, Tokyo.
2. Stonier & Wankel: 'Management', Prentice Hall of India Ltd., New Delhi.
3. Richard, M. Hodgets: 'Management': Academic Press, New York.
4. Hampton: 'Management', McGraw Hill, Tokyo.
5. Peter F. Drucker: 'Practice of Management', Pen Books, London.

\*\*\*\*\*

**PAPER – II - INDIAN CAPITAL MARKET AND FINANCIAL SYSTEM**

UNIT I	Capital Market Structure and its role in Financial System: Equity and Debt Markets – Primary and Secondary Markets – Organisation of Indian Stock Exchange – Overview of International Capital markets.
UNIT II	Instruments – Players – Regulations: Equity – Debt-Convertibles – Derivatives – New Innovations in Financial Instruments – Issues – Listing – Intermediaries – Brokerage Business – SEBI Guidelines.
UNIT III	Financial System and Economic Development: Direct Finance – Advancements over Rudimentary Finance – Indirect Finance – Monetary Policy and RBI's Role in regulating Flow of Funds.
UNIT IV	Development Bank: Origin and growth of Term Lending Institutions – Methods of Raising Funds – Lending Policies – Working of IDBI – IFCI – SFCs and SIDBI – Role of Financial Institutions in Capital Market.
UNIT V	Commercial Banks and Industrial Finance: Changing Role – Bank Credit to Working Capital Requirements – Fund and Non- Fund based Lending.
UNIT VI	Investments Companies: Mobilisation of Funds – Working of UTI, LIC, GIC, Mutual Funds in India – Operation – SEBI Guidelines – Investment Pattern of mutual Funds.
UNIT VII	Non-Banking Finance Companies: Structure – Methods of raising Funds – Lending Operations – SEBI and RBI Guidelines.
UNIT VIII	International Financial Institutions: Role of World Bank – IFC – Lending Policies of other Regional Institutions – Trade Agreements – Foreign Exchange Markets – Spot and Forward Market – Derivative Instruments.

**Reference Books**

1. Khan, M.Y.: 'Indian Financial System – Theory and Practice', Vikas, New Delhi.
2. Srivasthava, R.M.: 'Management of Indian Financial Institutions', Himalaya, Bombay.
3. Avadhani, V.A.: 'Investment and Securities Markets in India', Himalaya, Bombay.
4. Srinivasan, N.P. and P. Saravanavel: 'Development Banking in India and Abroad', Kalyani, Ludhiana.
5. Devi Singh: 'Economics of Exchange Rates Management', Criterion, New Delhi.

\*\*\*

**PAPER – III - ACCOUNTING AND FINANCE FOR MANAGERS**

UNIT I	Accounting – The language of Business – Definition – Scope and Functions of Accounting – Basic Postulates and Conventions – International Accounting Standards.
UNIT II	Accounting Cycle: Debit and Credit – Rules – the Ledger – Journal – Trial Balance – Closing and Adjusting entries – Preparation of Cash Book – Bank Reconciliation Statement.
UNIT III	Preparation of Final Statement – Trading or Manufacturing Account – Profit and Loss Account – Profit and Loss Appropriation Account – Balance Sheet preparation – Classification of Assets and Liabilities – Methods of Depreciation – Inventory Valuation – Accounts of Non-Profit Organisations.
UNIT IV	Analysis and Interpretation of Financial Statements ; Preparation of Common Size statements – Trend Percentages – Ratio analysis – Classification of Ratios – Interpretation and limitations of Ratios.
UNIT V	Cost and Management Accounting: Introduction – Cost Classification – Cost Statements – Concept of Marginal Costing – Cost – Volume Relationship – Break – Even Analysis – Types of Variances.
UNIT VI	Business Budgets: Budgetary Control – Preparation of Cash Budget – Flexible Budgets – Master Budget – Variance.
UNIT VII	Capital Budgeting : Investment Proposals – Traditional Techniques of Project Evaluation – DCF Techniques – Capital Rationing.
UNIT VIII	Working Capital Management – Concepts – Determinants – Estimating Working Capital Requirements – Funds Flow Analysis – Preparation of Statement of Sources and Uses.

**Reference Books:**

1. Gupta R.L. & M.Radhaswamy : ‘Advanced Accounts ‘ Vol I. Chand & Sons, New Delhi,1985.
2. Horngreen C.T.:’ Accounting for Management Control’, An introduction, Englewood Cliffs, Prentice Hall, New York,1983.
3. Jain S.P. & K.L.Narang:’ Advanced Cost Accounting’,Kalyani,Ludhiana,1985.
4. Weston J.Fred & Eugene Brigham:Essentials of Managerial Finance, Dryden Inc.1979.

\*\*\*\*\*

**PAPER – IV - QUANTITATIVE TECHNIQUES FOR MANAGERIAL  
DECISION MAKING**

UNIT I	Collection and Presentation of Data : Primary and Secondary data, Methods of Collecting data – Classification of data, Construction of discrete and continuous frequency distribution – Different Charts.
UNIT II	Measures of Central Tendency and Dispersion: Arithmetic Mean, Weighted Arithmetic Mean, Median, Mode, Geometric Mean, Harmonic Mean, Measures of Dispersion, Standard Deviation – Co-efficient of Variation – Skew-ness, Kurtosis.
UNIT III	Concept of Probability and Probability Distribution: Basic Concept, Probability theory, Types of Probabilities, Baye's theorem – Probability Distribution – Binomial Distribution – Poisson Distribution – Normal Distribution.
UNIT IV	Testing of Hypothesis: Definition of Hypothesis – Null Hypothesis – Alternate Hypothesis – Type I Error – Testing of population mean-Proportion – Difference between means – Difference between proportions – ANOVA – Chi-Square Test.
UNIT V	Linear Programming: Meaning of Linear Programming – Basic Concepts and Notation – Linear Programming Model – Formulation – Graphic and Simplex solution – Degeneracy – Non-feasible solution – Unbound solution – Multiple solution – The Dual Limitations of Linear Programming.
UNIT VI	Queuing Theory and Theory of Games: Meaning of Queue – Objectives of the Queuing Theory – Queuing Models – Fixed Arrivals – Fixed Service Time – Random Arrivals – Limitations of Queuing Theory – Theory of Games – Types of Games – Dominance – Solution through graphic method.
UNIT VII	Net Work Analysis – CPM and PERT: Introduction and Network Analysis – Preparation of Network Diagram – Critical Path Method(CPM) – Time cost consideration – Limitation of CPM – Programme Evaluation and Review Technique(PERT) – PERT Area Control Device – Calculation of Probabilities – Advantages of PERT – Limitations of PERT – Similarities and Dissimilarities of PERT and CPM analysis.
UNIT VIII	Decision Theory : Introduction to Decision Theory – Marginal Analysis – Decision Tree Approach – Forecasting – Introduction to Forecasting Method – Correlation – Regression – Time Series.

Reference Books:

1. Levin Richard,L.'Statistics for Management',Prentice Hall,New Delhi,1991.
2. Homy A.Taha,'Operations Research – An Introduction', Macmillan Pub.Co., Inc.,NY,1992.
3. Richard I.Leven,Charles A.Kirpatric and David S.Rubin,'Quantitative Approach to Management', Mc Graw Hill Inc. NJ,1982.
4. Budnick F.S.et., al., 'Principles of Operations Research for Management',Richards D.Irwin Inc.1988.

\*\*\*\*\*

**PAPER – V - MANAGEMENT OF FINANCIAL SERVICES**

UNIT I	Merchant Banking: Meaning, Origin and Growth – Evolution of Merchant Banking in India – Scope of Merchant Banking Services – Organisation and Management Patterns of Merchant Banks – Merchant Banks and Management of Public Issues – Role of Merchant Bankers in maintaining Health and Credibility of the Capital Market.
UNIT II	Mutual Fund : Concept and Origin of Mutual Fund – Growth of Mutual Funds in India – Mutual Fund Schemes – Money Market Mutual Funds – Institutions involved in Mutual Business – UTI,LIC, Commercial Banks – Entry of Private Financing Companies in Mutual Fund Business – Safety, Liquidity and Profitability of Mutual Funds – Need for Regulation.
UNIT III	Lease Financing : Why Leasing? – Types of Leasing – Fixation of Lease Rentals – Factors influencing Lease Vs Buy Decision – Accounting treatment for Leasing – Growth and Prospects of Leasing Industry in India.
UNIT IV	Hire Purchase : Meaning- Concept – Growth of Hire Purchase Companies in India – Source of Finance – James Raj Committee Recommendations – R.B.I Guidelines for Hire Purchase – Hire Purchase Companies and Transport Industry – Problems and Prospects of Hire Purchase Companies in India.
UNIT V	Factoring : Concept of Factoring – Why Factoring ?- Types of Factoring – Factoring Mechanism – Factoring in India – Cost and Benefit of Factoring – Issues involved in Factoring Business – Kalyanasundaram Committee Recommendations.
UNIT VI	Credit Cards : Concept – Evolution of Credit Cards – Why Credit Cards and Varieties of Credit Cards – Operational Procedure – Acceptability of Credit Cards from the point of view of Bankers, Customers, Members Establishments.
UNIT VII	Credit Rating: Objectives – Institutions engaged in Credit Rating – Purpose and Procedure of Rating for Debentures – Fixed Deposits – Short term Instruments – Role of CRISIL an ICRA.
UNIT VIII	Venture Capital: Concept and Characteristics – Origin and Growth of Venture Capital – Difference between Venture Capital Financing and Conventional funding – Venture Capital Schemes – Legal aspects – Agencies involved in providing Venture Capital – Finance Ministry Guidelines.

**Reference Books:**

1. J.C.Verma:'Merchant Banking – Organisation and Management ' ,Tata McGraw Hill Publishing Co., Ltd.
2. R.K.Srivastava : 'Financial Decision Making – Problems and Cases ' .
3. P.K.Ghosh:'Lease Financing'
4. I.M.Pandey:'Financial Management',Vikas Publishing House Pvt. Ltd.

\*\*\*\*\*

**PAPER – VI - CAPITAL BUDGETING AND FINANCIAL DECISIONS**

UNIT I	Nature and Scope of Financial Management: Finance Function – Objectives of Financial Management – Profit versus Wealth Maximization – Financial Goals and Firm’s Objectives.
UNIT II	Value of the Firm: Determinants of the Value of the Firm – Investment Decision – Financing Decision – Dividend Decision – Relationship between the Value of the Stock and Value of the Firm.
UNIT III	Investment Decision : Capital Budgeting Process – Basic Principles of Capital Expenditure Proposal – Various Appraisal methods – Average Rate of Return – Pay-Back Period – DCF methods – IRR and NPV – Merits and Demerits of these Methods – Investment Appraisal in Practice.
UNIT IV	Risk Analysis in Capital Budgeting: Meaning and Nature of Risk – Measures of Risk – Conventional Techniques to handle Risk – Pay – Back Period – Risk Adjusted Discount Rate – Certainty – Equivalent Co-efficient.
UNIT V	Financing Decision: Operating and Financial Leverage – EBIT/EPS Analysis – Cost of Capital and Capital Structure Theories – Determination of the Optimum Capital Structure.
UNIT VI	Capitalisation:Over and Under Capitalisation – Consequences of Over and Under Capitalisation – Correction – Fair Capitalisation – Meaning – Determination of the Fair /Ideal Capitalisation.
UNIT VII	Dividend Decision: Dividend Theories - M.M.Hypothesis of Dividend Irrelevance – Dividend Policy and Share Valuation – Dividend Policies and Practices in India.
UNIT VIII	Working Capital Management ; Principles – Concepts – Components – Need for working Capital – Determinants of Working Capital – Optimum level of Current Assets – Estimating Working Capital Needs – Financing of Current Assets.

**Reference books:**

1. I.M.Pandey: 'Financial Management', Vikas Publishing House Pvt. Ltd. 1992, New Delhi.
2. Prasanna Chandra: 'Financial Management Theory and Practice', Tata Mc Graw Hill Publishing Company, 1989, New Delhi.
3. J.F.Weston and B.F.Brigham: 'Managerial Finance', Rinehart and Winston – Holt, 1972.
4. V.E.Ramamurthy: 'Working Capital Management', JFMR Publications, Nungambakkam, Madras – 34.
5. Brealey R. and Myers S.C.: 'Principles of Corporation Finance', McGraw Hill, New York, 1984.

\*\*\*\*\*

**PAPER – VII - WORKING CAPITAL MANAGEMENT**

UNIT I	Working Capital Policy: Overall Considerations – Importance of Working Capital Management – Components of Working Capital – Concepts – Factors influencing the requirements of working capital – Risk – Return trade off – Profitability – Liquidity tangle.
UNIT II	Estimating Working Capital Requirements: Operating Cycle method – Percent Sales method – Correlation Analysis method – Financial Manager’s role in working capital management.
UNIT III	Cash Management : Importance – The Right Proportion – Factors influencing Cash balance – Determining Optimum Cash Balance – Cash Budgeting – Controlling and Monitoring – Collection and Disbursements – cash management Models.
UNIT IV	Receivables Management – Credit Policy Variables – Credit Standards Credit Period – Cash Discount and Collection Efforts – Credit Granting Decision – Control of Receivables – Management of Trade – Credit in India.
UNIT V	Inventory Management : Need for Inventories and the Importance of its Management – Techniques for managing inventory – Order Quantity – E.O.Q. Model – Order Point – Safety Stock – Analysis of Investment in Inventory – Selective Inventory Control – ABC Analysis.
UNIT VI	Financing Current Assets – Different Approaches to Financing Current Assets – Conservative, Aggressive and Matching Approach – Sources of Finance – Spontaneous Source – Trade Credits – Short term Bank Finance – Commercial Paper – Public Deposits.
UNIT VII	Committee on Working Capital Finance : Prevailing Position – Short Term Bank Borrowings – Dehejia Study Group – Tandon Committee – Findings and Recommendations.
UNIT VIII	Regulation of the Bank Credit: Review of the systems of Cash Credit – Chore Committee Recommendations – Establishments of discount & finance House of India.

**Reference Books**

1. V.E.Ramamurthy; 'Working Capital Management' JFMR Publications, Nungambakkam, Madras – 34.
2. I.M.Pandey: 'Financial Management', Vikas Publishing House Pvt. Ltd., New Delhi – 14.
3. Prasanna Chandra : 'Financial Management ,Theory and Practice', Tata McGraw Hill Company Ltd, New Delhi.
4. J.F.Weston & T.E.Copeland : "Managerial Finance" Dryden Press, Illinois.
5. K.,M,Chitnis: 'Working Capital Management of Large Industrial Units' Dastane Ramachandhra & Co., Poona,1988.

\*\*\*\*\*

**PAPER – VIII - SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

UNIT I	Nature and Scope of Investment Management: Investment Management and Security Analysis – Portfolio Management – Managed Portfolios and Portfolio Management Practices in India.
UNIT II	Portfolio Analysis : Risk and Return – Total Risk – Portfolio Risk – How Diversification Helps? – Market Risk – Combining Risky and Risk less – Securities.
UNIT III	Fundamental Security Analysis: Economic Environment Analysis – Industry Analysis – Company Analysis – Growth Stocks.
UNIT IV	Technical Analysis : Basic Tenets of Technical Analysis – Dow Theory – Behaviour of Stock Prices – Major Trends – Charts and Trend Lines – Resistance and support Lines – Different Patterns.
UNIT V	Efficient Market Hypothesis: Different Forms – Weak form and Random forms – Semi-Strong and Strong forms – Implications of Different forms of EMH to Security Analysis.
UNIT VI	Markowitz Diversification: Mean – Variance Analysis – Efficient Frontier – Leveraged Portfolio – Sharpe’s Market Model Beta Coefficient – Implications.
UNIT VII	Capital Asset Pricing Model – Assumptions – the Capital Market Line – Security Market Line – CAPM with Relaxed Assumptions
UNIT VIII	Portfolio Evaluation: Portfolio Formula Plans – Risk Adjusted Measures – Sharpe’s Reward-to-Variability – Treynor’s Volatility Ratio – Jensen’s Differential Return.

**Reference Books**

1. Francis, Jack Clark: 'Management of Investments', McGraw Hill.
2. Fisher De and R.Jorden: 'Security Analysis and Portfolio Management', Prentice Hall, N.J.1975.
3. Bhalla V.K. and S.K.Tuteja: 'Investment and Management', S.Chand and Company, New Delhi, 1984.
4. Avadhani V.A.: 'Investment and Securities Market in India', Himalaya, Bombay, 1992.
5. Strong, Robert A: 'Portfolio Management Handbook', Jaico Publishing House, Bombay, 1994.

\*\*\*\*\*

**PAPER – IX - INTERNATIONAL BUSINESS FINANCE**

UNIT I	General Introduction: Importance- Rewards and Risks in International Finance – Why International Business Finance? – Importance – Scope – Benefits – Rewards and Risks – Increased Globalisation of Finance and Real Asset Markets – Investment and Capital Markets – Costs of Globalisation of Investment – Increased Volatility of Interest Rates and Exchange Rates.
UNIT II	Introducing Foreign Exchange Markets and Balance Of Payments: Mechanics of Spot and Forward Exchange Markets – Analytical Perspectives of the Market – Balance of International Payments – Principles of BOP Accounting – Determining Credit and Debit Entries – Implications of BOP Accounting Identity – Interpreting the Accounts under Fixed and Flexible Exchange Rate System – Long Run Vs Short Run – Implications of Payment Imbalances – the Firm Vs the Economy an Analogy.
UNIT III	Forward Futures and Options Market: Various Aspects of Forward exchange Market – Currency Futures – The Link between Futures and Forwards Market – Currency Options – Various Facts of Option Contract and market – Difference between Forwards and futures and Options.
UNIT IV	Party conditions in International Finance: International Manifestation of Law of One Price, Purchasing Power Parity Principles – interest Rate Parity Condition – Fisher and International Fisher Effects – Combining PPP and Interest parity – Why Covered Interest Differences persist?
UNIT V	Foreign exchange Risk and Exposure and their management Nature of Exchange Rate Risk and Exposure – Exposure Risk and the Parity Relationship – Real Changes in Exchange rate – Relevance of Translation Exposure.
UNIT VI	How to Hedge and Speculate ? Hedging Explained – Hedging Via Forward Markets – Via Futures Market – Options Market – Swaps – Currency of Invoicing etc. Speculation – Meaning – Speculation via all the markets – Speculation on Exchange Rate Volatility.
UNIT VII	Financial Dimensions of International Trade: Letters of Credit – Alternative Payment and Guaranteeing Procedures – Financing of International Trade – Bankers Acceptances and Forfeiting – Counter Trade.
UNIT VIII	International Monetary System and European Monetary System: Recent Trends – A Brief Summary of Bretton Woods System – Reasons for Collapse – Functioning of Floating Exchange Rates – Recent Trends.

References

1. Vinano R.Erruna Et.al: International Business Finance, Global Business Press,1994.
2. Rita M.Rodriquez and E.Eugene Carter : International Financial Management, Prentice Hall, 1985.
3. J.B.Holland: International Financial Management , Basil Black well, 1996.

**M.Com (Finance)**

**COURSE CODE: 22**

**SUBJECT CODE : H2050**

**PAPER – X - GLOBAL FINANCIAL MARKETS AND INSTRUMENTS**

UNIT I	International Monetary and Financial System: Bretton Woods – IMF – World Bank – Quotas – Foreign Exchange Rates – European Monetary System – Group of Seven – Euro Markets.
UNIT II	Foreign Exchange Markets : Direct and Indirect Rates – LERMS – Bid and Offered Rates – Spot and Forwards – Exchange Rate calculation.
UNIT III	International Money Markets: Money Market Instruments – Inter-Bank Markets – Floating Rates – Instruments dealt in New York and Tokyo Markets.
UNIT IV	International Capital Markets : International Investor – Bond Market Drill – Instruments dealt in New York and Tokyo Markets.
UNIT V	Euro Currency Market: Euro Deposits and Loans – Euro Credit – Spreads and Maturity – Euro – Currency interest Rates – International Bond Market – Foreign Bonds issued in USA and Japan.
UNIT VI	Derivatives – Forward Rate Agreements – Currency Futures – Interest Futures – Currency Options – Option Pricing – Currency and Interest Rate Swaps.
UNIT VII	Forex Exposures – Types of Exposures – Short Term and Medium Term Exposures – Hedging and Risk in Forex Loans – Risks in Forex Business.
UNIT VIII	Interest Rate Risk Management – Yield to Maturity – Spot and Forward Rates – Duration and Price Volatility – Interest Rate Risk – Duration of Equity gap – Duration and Interest Rate Swaps.

**Reference Books**

1. John R. Brick, H. Kent Baker, John A. Haslem: 'Financial Markets: Instruments and Concepts', Reston Pub. Co., NY.
2. Robert O. Edmsiter: 'Financial Instruments: Markets and Management, McGraw Hill, NY.
3. Rita M. Rodriguez and E. Eugene Carter: 'International Financial Management ' Prentice Hall, New Delhi.

\*\*\*\*\*