## III. SEMESTER ELECTIVES FINANCE

**MBA III SEMESTER**

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| **EF-301** | **INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT** | **100** | **4** | **0** | **0** | **3** |

**Objective:** To enlighten the students with the Concepts and Practical applications of Security Analysis and Portfolio Management

**Unit-I**: Concept of Investment, Investment Vs Speculation, and Security Investment Vs Non- security Forms of Investment-Investment Environment in India. Investment Process - Sources of Investment Information, Security Markets – Primary and Secondary – Types of securities in Indian Capital Market, Market Indices. Calculation of SENSEX and NIFTY.

**Unit-II**: Return and Risk – Meaning and Measurement of Security Returns. Meaning and Types of Security Risks: Systematic Vs Non-systematic Risk. Measurement of Total Risk - Intrinsic Value Approach to Valuation of Bonds - Preference Shares and Equity Shares.

**Unit-III**: Fundamental Analysis – Economy, Industry and Company Analysis, Technical Analysis – Concept and Tools and Techniques Analysis – Technical Analysis Vs Fundamental Analysis - Efficient Market Hypothesis; Concept and Forms of Market Efficiency.

**Unit-IV**: Elements of Portfolio Management, Portfolio Models – Markowitz Model, Efficient Frontier and Selection of Optimal Portfolio. Sharpe Single Index Model and Capital Asset Pricing Model, Arbitrage Pricing Theory.

**Unit-V**: Performance Evaluation of Portfolios; Sharpe Model – Jensen‘s Model for PF Evaluation, Evaluation of Mutual Fund.

## Suggested Readings:

1. Fisher DE and Jordon RJ, Security Analysis and Portfolio Management,PHI, New Delhi
2. Ambika Prsasad Dash, Security Analysis and Portfolio Management,IK Int Pub House, New Delhi
3. Hirt and Block, Fundamentals of Investment Management, TataMcGrawHill, New Delhi
4. Reily Frank K, Investment Analysis and Portfolio Management,Cengage, New Delhi
5. Bodie,Kane,Marcus and Mohanty, Investments, TataMcGraw Hill, New Delhi
6. Peter Lynch, One Up on Wall Street, Simon & Schuster Paperbacks, New York
7. Sharppe W, Alexander,GJ., & Baily JV., Investments, TMH, New Delhi
8. Avadhani, VA, SAPM, Himalaya Publishers.
9. Bhalla, VK Investment Management, S.Chand., New Delhi
10. Preeti Singh, Investment Management, Himalaya Publishers.
11. Timothy Vick, How to Pick Stocks like Warren Buffett, TMH, New Delhi

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| **EF-302** | **MANAGING BANKS AND FINANCIAL INSTITUTIONS** | **100** | **4** | **0** | **0** | **3** |

**Unit – I**: Financial System in India: Introduction - Evolution of Banking - Phases of development - RBI and the Financial System - Committees on Banking Sector Reforms - Prudential Banking -- RBI Guidelines and directions.

**Unit – II**: Organization, Structure and Functions of RBI and Commercial Banks: Introduction - Origination, Structure and Functions of RBI and Commercial Banks - Role of RBI and Commercial Banks - Lending and Operation policies - Banks as Intermediaries - NBFCs - Growth of NBFCs - FDI in Banking Sector - Banking Regulations - Law and Practice.

**Unit – III**: Risk Management in Banks : Introduction - Asset/Liability Management Practices - Credit Risk Management - Credit Risk Models - Country Risk Management - Insurance Regulations and Development Authority (IRDA).

**Unit – IV**: Financial Institutions and Development Banking : Introduction - Origin, Growth and Lending Policies of Terms lending Institutions - Working of IDBI - IFCI - STCs - SIDBI - LIC - GIC - UTI - Role of Financial Institutions in Capital Market.

**Unit – V**: New Financial Instruments and Institutions : Private Banks - Old generation and New generation private banks - Foreign Banks - NSE - Depositories - DFHI - New Equity and Debt Instruments - SEBI and RBI guidelines.

## Suggested Readings:

1. Koch W Timothy and Scott S Macdonald, "Bank Management" Thomson (South-Western), Bangalore 2005 (Text Book)
2. Khan M Y., "Indian Financial System", Tata Mc Graw Hill, New Delhi, 2004
3. Srivastava, RM ., "Management of Indian Financial Institutions", Himalaya Publishing House, Mumbai, 2005
4. Avadhani V A., "Investments and Securities Markets in India", Himalaya Publishing House, Mumbai, 2004
5. Srinivasan NP and Saravanavel, P., "Development Banking in India and Abroad", Kalyani Publications, Ludhiyana, 2001

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| **EF-303** | **FINANCIAL MARKETS AND SERVICES** | **100** | **4** | **0** | **0** | **3** |

**Objective:** To enlighten the students with the Concepts and Practical dynamics of Financial Markets and Financial Services

**UNIT – I** : Structure of Financial System – role of Financial System in Economic Development

– Financial Markets and Financial Instruments – Capital Markets – Money Markets – Primary Market Operations – Role of SEBI – Secondary Market Operations – Regulation – Functions of Stock Exchanges – Listing – Formalities – Financial Services Sector Problems and Reforms.

**UNIT – II** : Financial Services: Concept, Nature and Scope of Financial Services – Regulatory Frame Work of Financial Services – Growth of Financial Services in India – Merchant Banking

– Meaning-Types – Responsibilities of Merchant Bankers – Role of Merchant Bankers in Issue Management – Regulation of Merchant Banking in India. Leasing – types of Leases – Evaluation of Leasing Option Vs. Borrowing.

**UNIT – III** : Venture Capital – Growth of Venture Capital in India – Financing Pattern under Venture Capital – Legal Aspects and Guidelines for Venture Capital. Factoring, Forfeiting and Bill Discounting – Types of Factoring Arrangements – Factoring in the Indian Context.

**UNIT – IV :** Credit Rating – Meaning, Functions – Debt Rating System of CRISIL, ICRA and CARE. Mutual Funds – Concept and Objectives, Functions and Portfolio Classification, Organization and Management, Guidelines for Mutual Funds. Working of Public and Private Mutual Funds in India. Debt Securitization – Concept and Application – De-mat Services-need and Operations-role of NSDL and CSDL.

**UNIT – V** : Microfinance: Over view of Microfinance, Indian Rural financial system, introduction to Microfinance, Microfinance concepts, products, (savings, credit, insurance, pension, equity, leasing, hire-purchase service, Microfinance in kind, Micro-remittances, MicroSecuritization. Microfinance models: Generic models viz. SHG, Grameen, and Co- operative, variants SHG NABARD model, SIDBI model, SGSY model, Grameen Bangladesh model, credit unions. Poverty and Need of Microfinance. Gender issues in Microfinance **Suggested Readings:**

1. Bhole & Mahakud, Financial Institutions and Market, TMH, New Delhi
2. V.A.Avadhani, Marketing of Financial Services, Himalayas Publishers, Mumbai
3. DK Murthy, and Venugopal, Indian Financial System, IK Int Pub House
4. Anthony Saunders and MM Cornett, Fin Markets & Institutions,TMH,
5. Edminister R.D., Financial Institution, Markets and Management.
6. Punithavathy Pandian, Financial Markets and Services, Vikas, New Delhi
7. Vasanth Desai, Financial Markets & Financial Services, Himalaya, Mumbai
8. Meir Khan – Financial Institutions and Markets, Oxford Press.

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| **EF-304** | **MERGERS, ACQUISITIONS**  **AND CORPORATE RESTRUCTURING** | **100** | **4** | **0** | **0** | **3** |

## Objective:

**Unit – I:** Mergers- types of merger– theories of mergers- operating, financial and managerial synergy of mergers – value creation in horizontal, vertical and conglomerate mergers – internal and external change forces contributing to M & A activities- Impact of M & A on stakeholders.

**Unit – II:** M & A – A strategic perspective- industry life cycle and product life cycle analysis in M&A decision, strategic approaches to M&A- SWOT analysis, BCG matrix. Takeovers, types, takeover strategies, - Takeover defences – financial defensive measures – methods of resistance

– anti-takeover amendments – poison pills Legal aspects of Mergers/amalgamations and acquisitions/takeovers- Combination and Competition Act- Competition Commission of India (CCI), The SEBI Substantial Acquisition of Shares and Takeover code

**Unit – III**: Merger Process: Dynamics of M&A process - identification of targets – negotiation - closing the deal. Five-stage model – Due diligence– Types - due diligence strategy and process - due diligence challenges. Process of merger integration – organizational and human aspects – managerial challenges of M & A.

**Unit – IV:** Methods of financing mergers – cash offer, share exchange ratio – mergers as a capital budgeting decision Synergies from M&A: Operating and Financial synergy Accounting for amalgamation – amalgamation in the nature of merger and amalgamation in the nature of purchase- pooling of interest method, purchase method – procedure laid down under Indian companies act of 2013.

**Unit – V**: Corporate restructuring – significance - forms of restructuring – joint ventures – sell off and spin off – divestitures – equity carve out – leveraged buy outs (LBO) – management buy outs – master limited partnership– Limited Liability Partnership (LLP) in India: Nature and 91 incorporation of LLP-De merger- strategic alliance buyback of shares.

## Suggested Readings:

* 1. Value Creation from Mergers and Acquisitions, Sudi Sudarsanam – 1/e, Pearson Education, 2003.
  2. Merger Acquisitions & Corporate Restructuring – Chandrashekar Krishna Murthy & Vishwanath. S.R – Sage Publication.
  3. Mergers, acquisitions and Corporate Restructuring, NishikantJha, Himalaya Publishing House, 2011.
  4. Corporate Restructuring, Bhagaban Das, Debdas Raskhit and Sathya Swaroop Debasish, Himalaya Publishing, 2009.
  5. Business Legislation for Management, M.C. Kuchhal and Vivek Kuchhal, 4/e, Vikas Publishing House, 2013.