

## GENERIC ELECTIVE (GE) COURSES

### Category-IV

#### GE1: FUNDAMENTALS OF FINANCIAL MANAGEMENT

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any	Department offering the course
		L	T	P			
Fundamentals of Financial Management	4	3	1	0	Class XII Pass	NIL	Finance and Business Economics

**Course Objectives:** To provide an understanding of the essential elements of the financial environment in which the business firm operates. To acquaint students with the techniques of financial management and their applications for business decision making.

**Learning Outcome:** At the end of this course, students will be equipped with the basic concepts of financial management. Students would understand how to coordinate various decisions to maximise wealth of an organisation in today's financial environment. Students will be equipped to arrive at strategic corporate finance decisions with the required accuracy which will be aided by using various excel functions.

#### Course Contents:

##### Unit 1 (12 hours)

Nature of Financial Management: Finance and related disciplines; Scope of Financial Management; Functions of finance – Finance Decision, Investment Decision, Dividend Decision; Objectives of Financial Management; Organisation of finance function; Concept of Time Value of Money – present value, future value, annuity.

##### Unit 2 (20 hours)

Strategic Investment Decisions: Capital Budgeting -; Nature and meaning of capital budgeting; Principles and Process; Estimation of relevant cash flows and terminal value; Evaluation techniques– Payback period, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Net Terminal Value, Profitability Index Method.

Cost of Capital: Meaning and concept, Measurement of cost of capital – Cost of debt, Cost of Equity Share; Cost of Preference Share; Cost of Retained Earning; Computation of over-all cost of capital based on Historical and Market weights (WACC).

##### Unit 3 (16 hours)

Strategic Financing Decisions - Capital Structure, Theories and Value of the firm – Net Income approach, Net Operating Income approach, Traditional approach, Modigliani Miller (MM) model. Leverage analysis and EBIT-EPS Analysis: Concept of leverage, Types of leverage: Operating leverage, Financial leverage, Combined leverage; EBIT-EPS Analysis.

Guidelines for capital structure planning, Link between capital structure and capital budgeting. Dividend Decisions: Factors determining dividend policy, Theories of dividend-Gordon model, Walter model, MM Hypothesis. Dividend policies in practice.

#### **Unit 4**

**(12 hours)**

Working Capital Management: Determination of Working Capital. Determining financing mix of working capital. Receivables Management – Objectives; Credit Policy, Cash Discount, Debtors Outstanding and Ageing Analysis; Costs – Collection Cost, Capital Cost, Default Cost, Delinquency Cost. Management of Cash (Theory only) – Need for Cash, Cash Management Techniques (Lock box, Concentration Banking). Inventory Management (Theory only) – ABC Analysis; Minimum Level; Maximum Level; Reorder Level; Safety Stock; EOQ (Basic Model).

#### **Essential Readings:**

1. Berk and DeMarzo, 5th ed., Pearson - Prentice Hall.
2. Horne, James C V. and John M. Wachowicz, Jr. “Fundamentals of Financial Management.13th ed; FT Prentice Hall, Pearson Education.
3. Pandey, I.M. Financial Management, Pearson.

#### **Additional Readings:**

1. Khan, M.Y. & Jain, P.K. Financial Management Text Problem and Cases, Tata McGrawHill Publishing Co. Ltd.
2. Brealey, R. R., Myers. S., Allen, F., & Mohanty, P.. Principles of Corporate Finance. NewDelhi: Tata Mc-Graw Hill.

#### **Teaching – Learning Process:**

The teaching-learning process for this paper would include classroom lectures and tutorials; Case study discussions; class presentations; Workshops.

#### **Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

#### **Key Words**

Finance, Capital Budgeting, Wealth Maximisation, Cost of Capital, Dividends, Leverage, Working Capital Management.

### GE 3: FUNDAMENTALS OF STOCK TRADING

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any	Department offering the course
		L	T	P			
Fundamentals of Stock Trading	4	3	1	0	Class XII Pass	NIL	Finance and Business Economics

**Course Objectives:** To familiarize students with the essential concepts and skills needed to be able to appropriately choose securities and operate in Stock markets.

**Learning Outcomes:** On successful completion of his course, the students will be able to:

- Understand the fundamentals of investments and the investment environment.
- Able to compare and evaluate different investment opportunities.
- Comprehend the structure and composition of Indian Securities market.
- Learn the mechanism involved in online stock trading.
- Grasps the concepts associated with investing in Mutual funds.

#### Course Contents

##### **Unit 1: Basics of Investment & Investment Environment (12 hours)**

Fundamentals of Investment, Features of Investment, Investment Environment. Principles of sound Investment. The Investment Decision Process. Modes of Investment – Direct Investing and Indirect Investing, Approaches to Investing – Active Investing and Passive Investing. Risk Return Trade Off. Types of Securities – Equity Shares, Bonds and Debentures, and Government Securities. Alternative Investments (Briefly) – Mutual Funds, Derivatives, Unit Linked Insurance Policy (ULIP), Exchange-traded funds (ETFs), Collective Investment Schemes (CIS), Real Estate Investment Trusts (REITs). Criteria for Evaluation of Investment Alternatives.

##### **Unit 2: Indian Securities Market (16 hours)**

Securities Market – Capital Market and Money Market, Difference between Capital and Money Market, Primary and Secondary Market, Difference between Primary and Secondary Market. Over the Counter (OTC) and Exchange Traded market. Modes of offering Equity Shares – Initial Public Offering (IPO), Follow-on Public Offering (FPO), Difference between IPO and FPO, Difference between Offer for sale (OFS) and Public offer (IPO/FPO). Methods of IPO Pricing – Fixed Price Method and Book Building Method, The Book Building Process, Fixed Price method v/s Book building Method. Market Participants – Issuer of Securities, Investors, and Intermediaries. Role of Stock Exchange. Stock Exchanges in India. Securities (Stock) Indices – Broad Market Indices, Sectoral Indices and Thematic Indices.

##### **Unit 3: Online Security Trading (16 hours)**

Trading Mechanism on Exchanges, Trading and Settlement at NSE – National Securities Clearing Corporation Limited (NSCCL), Clearing Mechanism, Clearing & Settlement (Equities).

Online Trading – Introduction, Online Trading Mechanism. Online Real Time Price Quotations – Bid Price, Ask Price, Bid-Ask Spread, Tick Size, LTP, ATP. Circuit Breakers – Upper Circuit, Lower Circuit, NSE rules regarding Circuit Breaks. Price Bands, Rules regarding Price Bands on NSE. Electronic Order Book. Types of Orders – Market Order, Limit Order, Stop Loss Order, Stop Loss (Limit) Order, Stop Loss (Market) Order, After Market Order (AMO). Order Conditions – Price related conditions, Time related conditions, Quantity related conditions. Placing an Order, View/Modify/Cancel an Order.

#### **Unit 4: Investing in Mutual Funds (16 hours)**

Concept of Mutual Funds, Mutual Funds are an Indirect Mode of Investment, Evolution of Mutual Funds in India, Structure of Mutual Funds (Sponsor, Board of Trustees, AMC and Custodian). Advantages of Investing in Mutual Funds, Limitations of Investing in Mutual Funds. Types of Mutual Fund Schemes – Open ended, Close ended, and Interval funds; Domestic Funds and Off-Shore funds; Growth funds, Income funds and Balanced funds; Equity Fund schemes, Debt fund schemes, Gilt Funds, Money Market Funds, Tax Saving or Equity Linked Savings Scheme (ELSS), Index schemes, Sectoral Funds, Ethical Funds, Load and No-Load Fund, Fund of Funds, Systematic Investment Plans (SIP), Systematic Withdrawal Plans (SWP), Systematic Transfer Plans (STP), and Exchange Traded Funds. Net Asset Value, Cost incurred and Return from Mutual funds, Types of Loads. Performance Evaluation of Mutual Funds. Factors affecting choice of Mutual funds. Mutual funds in India. CRISIL and their Rankings for mutual funds – Ranking Methodology and Usage of Mutual Fund Rankings.

#### **Essential Readings:**

1. Tripathi, Vanita and Panwar, Neeti: Investing in Stock Markets. Taxmann Publications.
2. Chandra, Prasanna: Investment Analysis and Portfolio Management. McGraw Hill Education.

#### **Additional Readings:**

1. Rustagi, R.P., Investment Management. Sultan Chand Publications.
2. Tripathi, Vanita: Security Analysis and Portfolio Management. Taxmann Publications.

#### **Teaching Learning Process:**

Class room lecture, Numerical Problem solving, Case study discussion, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play.

#### **Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class

tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

### Key Words

Investments, Indian Securities Market, Initial Public Offer (IPO), Online Security Trading, and Investing in Mutual Funds.

## GE5: ESSENTIALS OF FINANCIAL INVESTMENTS

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any	Department offering the course
		L	T	P			
Essentials of Financial Investments	4	3	1	0	Class XII Pass	XI NIL	Finance and Business Economics

**Course Objectives:** To familiarize students with the essential concepts and fundamentals of financial investments. The course will enable them to understand and make informed choice about the various available financial investment alternatives.

**Learning Outcomes:** On successful completion of his course, the students will be able to:

- Understand the fundamentals of financial investments and the investment decision process.
- Able to compute various measures of risk and return, and understand their role for evaluating investments.
- Understand and carry out security analysis using different approaches.
- Learn basic approaches to valuation of securities and carry out portfolio analysis.

### Course Contents

#### Unit 1: Investments – An Overview (12 hours)

Concept of Investment, Financial Investment Vs. Real Investment, Investment Vs Speculation, Objectives or Features of Investment, Risk Return Trade Off, Investment Environment – Overview of Securities Market and Different Types of Financial Investment. Investment Decision Process, Direct Investing Vs Indirect Investing, Approaches to Investing – Active Vs Passive. Diversification, Hedging and Arbitrage.

#### Unit 2: Risk – Return Analysis (16 hours)

Concepts of Return and Risk, Types of Return - their Calculation & Utility: Absolute Return, Average Return, Expected Return, Portfolio Return, Holding Period Return, Effective Annualized Return, Risk-Adjusted Return. Causes (or Sources) and Types of Risk – Systematic and Unsystematic Risk, Components of Systematic and Unsystematic Risk, Calculation of Total, Systematic and Unsystematic Risk. Impact of Taxes and Inflation on Investment – Computation of Post Tax and Real Returns.

#### Unit 3: Security Analysis (16 hours)

Approaches to Security Analysis – Fundamental Analysis, Technical Analysis, and Efficient Market Hypothesis (EMH). Fundamental Analysis – EIC Framework, Economic Analysis, Industry Analysis, and Company Analysis. Technical Analysis – Basic Tenets of Technical Analysis, Tool of Technical Analysis – Charts, and Technical Indicators, Limitations of Technical Analysis. Difference between Fundamental Analysis and Technical Analysis. Efficient Market Theory (EMH) – Concept, Forms of Market Efficiency, Weak Form Hypothesis, Semi Strong Form, and Strong Form of Market Efficiency. Implications of EMH.

**Unit 4: Fundamentals of Valuation and Portfolio Analysis (16 hours)**

Valuation of Equity Shares – Peculiar features of Equity Shares, Dividend Discount Model, Earning Multiplier or Price-Earnings (P/E) Model, and Capital Asset Pricing Model (CAPM). Valuation of Fixed Income Securities – Bond Fundamentals, Types of Bonds, Bond Valuation. Portfolio Analysis – Portfolio Management Process, Portfolio Analysis – Markowitz Model, Portfolio Risk, Portfolio Return.

**Essential Readings:**

1. Tripathi, Vanita: Security Analysis and Portfolio Management. Taxmann Publications.
2. Chandra, Prasanna: Investment Analysis and Portfolio Management. McGraw Hill Education.

**Additional Readings:**

1. Rustagi, R.P., Investment Management. Sultan Chand Publications.
2. Reilly, F. K. & Brown, K.C. Analysis of Investments and Management of Portfolios, Cengage India Pvt. Ltd.

**Teaching Learning Process:**

Class room lecture, Numerical Problem solving, Case study discussion, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play.

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

Financial Investment, Risk and Return, Fundamental Analysis, Technical Analysis, Efficient Market Hypothesis, Portfolio Analysis, Valuation of Securities.

## GE7: EMERGING BANKING AND FINANCIAL SERVICES

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any	Department offering the course
		L	T	P			
Emerging Banking and Financial Services	4	3	1	0	Class XII Pass	NIL	Finance and Business Economics

**Course Objective:** The objective of this paper is to familiarize students with banking reforms in the last decade, concept of neo banks, rising issue of non-performing asset and its impact on day-to-day functioning. They will learn about financial services such as Leasing, Hire Purchase, Credit Rating, Securitization and Venture Capital Financing.

**Learning Outcomes:** On successful completion of his course, the students will be able to:

- Understand the relevance of financial reforms introduced in Indian banking sector.
- Understand the rising problem of non-performing assets in Indian banking sector.
- Learn the importance of neo banks and M&A in Indian banking sector.
- Understand the various financial services available in India along with the latest innovations and technological integration in the field of finance.

### Course Contents:

#### Unit 1 (16 hours)

An overview of the Indian Banking system; Major Banking Reforms in the last decade: Payment banks, Monetary Policy Committee, MCLR Based Lending, Innovative Remittance Services; Issues in financial reforms and restructuring; Future agenda of reforms: Assessing Non- Performing Assets in Indian Banking, Previous methodologies for recovery, Impact of Gross NPAs on a bank's bottom line – burning need for bad banks, Functioning of Bad Banks, Government backing for bad banks - National Asset Reconstruction Company Ltd. (NARCL).

#### Unit 2 (16 hours)

Introduction to neobanks, Functions of neobanks, Operating Model of neobanks, Regulatory requirements for setting up and running neobanks, Emerging need for neobanks, neo banks vs traditional banks. Merger & Acquisition: Introduction, Benefits of mergers, Synergies accruing out of mergers, Regulatory mechanisms surrounding M&A in banking, Case-studies of recent banking mergers and related outcomes.

#### Unit 3 (20 hours)

Leasing and Hire Purchase: Concepts of leasing, types of leasing – financial & operating lease, direct lease and sales & lease back, advantages and limitations of leasing, Lease rental determination; Finance lease evaluation problems Lessee's angle (PV and IRR methods) and

Lessor's perspective, Hire Purchase interest & Instalment, difference between Hire Purchase & Leasing, Choice criteria between Leasing and Hire Purchase, mathematics of HP.

#### **Unit 4**

**(12 hours)**

Venture Capital: Concept, history and evolution of VC, the venture investment process, various steps in venture financing, incubation financing. Credit Ratings: Introduction, types of credit rating, advantages and disadvantages of credit ratings, Credit rating agencies and their methodology, International credit rating practices. Securitization: Concept and Process, Credit Enhancement parties to a Securitization Transaction, Instruments of Securitization, Types of Securities, Securitization in India.

#### **Essential Readings:**

1. Pathak, B. Indian Financial System (4th ed). Pearson Publication.
2. Khan, M. Y. (2013). Financial services. New Delhi: McGraw Hill Education.
3. Machiraju, H. R. (2002). Indian financial system. New Delhi, Vikas Publication House.

#### **Additional Readings:**

1. Verma, J. C. (1996). Bharat's manual of merchant banking: Concept, practices and procedures with SEBI clarifications, guidelines, rules and regulations. New Delhi: Bharat Law House.
2. K. Sriram: Hand Book of Leasing, Hire Purchase & Factoring, ICFAI, Hyderabad.
3. Ennew. C. Trevor Watkins & Mike Wright: Marketing of Financial Services, Heinemann Professional.

#### **Teaching Learning Process:**

Class room lecture, Numerical Problem solving, Case study discussion, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play.

#### **Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

#### **Key Words**

Banking, Merger and Acquisition, Neo banks, NPA, Leasing, Hire Purchase, Credit Ratings, Securitization, Venture Capital.



## GE9: ECONOMIC LEGISLATION

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any	Department offering the course
		L	T	P			
Economic Legislation	4	3	1	0	Class XII Pass	NIL	Finance and Business Economics

**Course Objective(s):** It focuses on laws related to competition in Indian business and trade environment. The course relies predominantly on Insolvency and bankruptcy code, money laundering and foreign exchange management laws.

### Learning Outcomes:

- Recognise the economic issues in a legal problem and apply the economic way of thinking to analyse it.
- Assess the efficiency effects of legal rules and policies.
- Practice case analyses and evaluation of corporate conduct.

### Course Contents:

#### **Unit 1: Competition Act and Fugitive Economic Offenders Act (20 hours)**

The Competition Act, 2002: Introduction, Prohibition of certain agreements, abuse of dominant position and regulation of combinations, Competition Commission of India, Duties, Powers and Functions of Commission, Penalties, Appellate Tribunal.

The Fugitive Economic Offenders Act: Scope and applicability of Act, Confiscation of property, Powers of Directors, Power of Survey, Search and Seizure, notice, procedure for hearing application, Declaration of Fugitive Economic Offender, Power to disallow civil claims, Management of properties confiscated under this Act, Rules of evidence, Appeals.

#### **Unit 2: The Insolvency and Bankruptcy Code (12 hours)**

The Insolvency and Bankruptcy Code, 2016: Introduction of Insolvency and bankruptcy code, Corporate Insolvency Resolution Process, Liquidation Process, Fast Track Insolvency Resolution for Corporate Persons, Voluntary Liquidation of Corporate Persons, Adjudicating Authority for Corporate Persons, Offences and Penalties, Insolvency resolution and bankruptcy for individuals and partnership firms, Regulation of Insolvency professionals, agencies and information utilities.

#### **Unit 3: The Prevention of Money Laundering Act (16 hours)**

The prevention of money laundering Act, 2002: Introduction and definitions, Punishment for the offence of Money Laundering, Attachment, Adjudication and Confiscation, Obligation of Banking Companies, Financial Institutions and Intermediaries, Summons, Searches And Seizures, Appellate Tribunal and Special Courts, Recovery of fine or penalty.

#### **Unit 4: The Foreign Exchange Management Act (12 hours)**

The Foreign Exchange Management Act, 1999: Introduction of FEMA, Difference between

FERA and FEMA, Application and Commencement of FEMA, Regulation and Management of Foreign Exchange, Authorised Person, Contraventions and Penalties, Compounding of Offences, Adjudication and Appeal, Directorate of Enforcement.

**Essential Readings:**

1. Maheshwari & Maheshwari, Principle of Mercantile Law, National Publishing Trust.
2. Aggarwal Rohini, Mercantile & Commercial Law, Taxmann
3. Kucchal M. C., Mercantile Law, Vikas Publishing House (P) Ltd.
4. Kapoor N. D., Elements of Mercantile Law, Sultan Chand,

**Teaching – Learning Process:**

Lecture, Discussion, Power Point Presentations. Course contents shall be discussed in the light of relevant case laws.

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

CCI, Prevention of Money Laundering, Insolvency and Bankruptcy Code, FEMA, Fugitive Economic Offenders Act.