

# DISCIPLINE SPECIFIC ELECTIVE (DSE) COURSES

## DSE 1: PROJECT APPRAISAL AND FINANCING

### Credit distribution, Eligibility and Pre-requisites of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
DSE 1: PROJECT APPRAISAL AND FINANCING	4	3	1	NIL	Class XII	NIL

### Course Objectives:

- To provide an understanding to the students about identification of a project, feasibility analysis, alternative project appraisal techniques, Project financing.

### Learning Outcomes:

On successful completion of this course, the students will be able to:

- Apply various methods of project Appraisal.
- Use Capital Budgeting techniques for financial evaluation and selection of Projects.
- Understand the concept and application of Social Cost and Benefit Analysis.
- Carry out Risk Analysis for business projects and identify alternative sources of financing.
- Apply appraisal techniques for evaluating live projects.

### Course Contents

#### Unit 1: Introduction to Projects and their Appraisal (9 Hours)

Project Definition, Project Identification, Project Life Cycle, Project Stakeholder Analysis, Feasibility study. Types of Project Appraisal (Brief Overview): Market and Demand Analysis, Technical Appraisal, Financial Appraisal, Economic Appraisal, Managerial Appraisal, and Social Appraisal.

#### Unit 2: Financial and Social Appraisal (15 Hours)

Project Cost and its components, Investment Evaluation Methods (Non-Discounting and Discounting Methods): Payback Period, Accounting Rate of Return, Discounted Payback Period, Net Present Value, Profitability Index, Internal Rate of Return (IRR), Modified Internal Rate of Return (MIRR). Suitability of Methods to different Projects, Investment Evaluation in Practice. Social Appraisal: Rationale for Social Cost Benefit Analysis, Approaches of SCBA

(UNIDO and Little-Mirrlees Approach), Environment Impact Assessment (EIA) and Social Impact Assessment (SIA) of Projects. Relevant Case Studies.

**Unit 3: Project Risk Analysis**

**(12 Hours)**

Risk Analysis and Management: Sources and Measures of Risk. Methods of Assessing Risk – Sensitivity Analysis, Scenario Analysis, Break-Even Analysis, Simulation Analysis, Decision Tree Analysis, Project Selection under Risk – Judgmental Evaluation, Payback Period, Risk Adjusted Discount Rate Method, Certainty Equivalent Method, Strategies for Risk Management.

**Unit 4: Project Financing**

**(9 Hours)**

Capital Structure; Choices of Financing; Sources of Financing – Internal Accruals, Equity Capital, Preference Capital, Debentures (or Bonds), Term Loans, Venture Capital, Private Equity, Venture Capital Vs Private Equity, Loan Syndication, Consortium Financing, Public Private Partnership (PPP), Securitization, Crowd Funding; Raising Capital from International Markets: Foreign Issue, Foreign Direct Investment (FDI), External Commercial Borrowings (ECB).

**Essential Readings:**

1. Chandra, P: *Projects – Planning, Analysis, Selection, Financing, Implementation, and Review*. 2019 Edition. McGraw Hill Education.
2. Agrawal, R., & Mehra, Y. S. (2017). *Project Appraisal and Management*. Taxman Publications.

**Additional Readings:**

1. Goodpasture, C.J. *Quantitative Methods in Project Management*. J. Ross Publishing.
2. Chandra, P. *Financial Management: Theory and Practice*, McGraw Hill Publishing.

**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.

**Examination scheme and mode:**

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

**Key Words**

Project Appraisal, Market and Demand Analysis, Technical Appraisal, Financial and Investment Appraisal, Risk Analysis, Socio-Economic Appraisal, Project Financing.

## DSE 2: DIGITAL FINANCE

### CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture				
DSE 2: DIGITAL FINANCE	4	3	1	NIL	Class XII	NIL

**Course Objective(s):** The goal of the course is to get the students acquainted with the dramatic changes in the financial sector generated by the digital revolution.

#### **Learning Outcomes:**

After studying this course the student will get the:

- Understanding of the nature of digital revolution in finance.
- Knowledge of key digital technologies and products, and state reaction to the digital revolution.
- Knowledge of FinTech, big data analytics and new financial business models.

#### **Course Contents:**

##### **Unit 1: Digital Transformation of Finance (4 Hours)**

A Brief History of Financial Innovation, Digitization of Financial Services, Introduction to FinTech & Funds, FinTech Transformation, FinTech Typology, Collaboration between Financial Institutions and Start-ups. Introduction to Regulation and future of RegTech.

Crowdfunding- Role of finance in economy, the role of financial intermediaries, Types and functioning of crowdfunding markets, Differences between traditional funding models and crowdfunding markets, Informational problems in the crowdfunding model.

##### **Unit 2: Payment Systems (9 Hours)**

Digitalization of the payment system. The historical evolution of the payment system., Attributes of a well-functioning payment system., Banks as guarantors of the payment system, new entrants and new payment models: risks for the banking system. FinTech applications in Banking & Non-Banking Financial Companies (NBFCs); Insurance; payments; Lending; Audit; and Compliance. Electronic Clearing Service (ECS) ,Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), Unified Payments Interface (UPI), Growth of Digital Payments in India, RBI guidelines on Digital Payments.

##### **Unit 3: Crypto Assets and Blockchains (16 Hours)**

Introduction: Crypto an asset for trade and Crypto-currency, Problems with issuerscredibility, Fin Tech & Securities Trading; Cryptocurrencies and its future as currency, blockchain as a registration mechanism, Functioning of the block chain system. The integration of digital

currency and blockchain and issuers incentive problems; Proptech: FinTech of Real Estate; Possible alternative uses of blockchain technology in the economy and difficulties in its implementation. Use of bitcoin in money laundering., The regulatory debate. Introduction of Central Bank Digital Currency (CBDC). Other Emerging Financial Technologies: Internet of things (IOT) & AR/VR applications.

#### **Unit 4: FinTech, Big Data Analytics, and new Financial Business Models (16 Hours)**

The use of data in traditional credit decisions, the combination of big data and machine learning to improve financing decisions., Smart accounts, customized financial products, risk management and fraud prevention., High frequency trading: opportunities and risks.

Digital security, Challenge of confidentiality, integrity and availability, Digital securities as a new systemic risk in the economy. Regulations on cybersecurity. Latest development in the field of Digital Finance.

#### **Essential Readings:**

1. Lynn, T., Mooney, J. G., Rosati, P., & Cummins, M. (2019). *Disrupting finance: FinTech and strategy in the 21st century*. Springer Nature.
2. Beaumont, P. H. (2019). *Digital Finance: Big Data, Start-ups, and the Future of Financial Services*. Routledge.

#### **Additional Readings:**

1. Phadke, S. (2020). *FinTech Future: The Digital DNA of Finance*. Sage Publications.
2. Maese, V. A., Avery, A. W., Naftalis, B. A., Wink, S. P., & Valdez, Y. D. (2016). *Cryptocurrency: A primer*. Banking LJ, 133, 468.

#### **Teaching – Learning Process:**

Lecture, discussion, Power Point presentations, Case Studies, Workshop, Tutorials.

#### **Examination scheme and mode:**

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

#### **Key Words**

Crowdfunding, Bitcoin, Blockchain Technology, Fintech, Digital Security, Cryptocurrency.

## DSE 3: INSURANCE MANAGEMENT

### Credit distribution, Eligibility and Pre-requisites of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture				
DSE 3: INSURANCE MANAGEMENT	4	3	1	NIL	Class XII	NIL

**Course Objectives:** To enable students to identify and manage different types of risks. They will be able to understand the concepts, types and principles of Insurance. Further, they will know the important aspects and technical components of management of Insurance business.

### Learning Outcomes:

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

- identify and analyze various types of risks faced by individuals and businesses, evaluate the role and importance of insurance in mitigating these risks, and differentiate between different types of insurance
- understand the principles of risk management, techniques for managing risks, and legal principles governing insurance contracts, and develop an understanding of real-world risk management scenarios.
- understand the legal Characteristics and components of insurance contracts, underwriting principles, claims settlement process, and the regulatory framework of the insurance industry in India.
- comprehend the different aspects of insurance business management, including reinsurance, alternative risk transfer, investments, rate-making, coinsurance, and important provisions of insurance policies.

### Course Contents

#### Unit 1: Insurance and Risk (12 Hours)

Risk – Definitions of Risk, Chance of Loss, Peril and Hazard, Classification of Risk, Major Personal Risks and Commercial Risks, Burden of Risk on Economy and Society. Insurance – Definition of Insurance, Basic Characteristics of Insurance, Law of Large Numbers, Characteristics of an Ideally Insurable Risk, Benefits and Costs of Insurance to Society. Life and General Insurance: Types, Difference between Life and General insurance.

#### Unit 2: Insurance Principles & Risk Management (12 Hours)

Risk Management – Meaning of Risk Management, Objectives of Risk Management, Steps in the Risk Management Process, Techniques for Managing Risk, Benefits of Risk Management. Personal Risk Management. Enterprise Risk Management (briefly) – Concept & Benefits. Case Studies on Management of different Personal and Business Risk to be discussed. Fundamental

Legal Principles – Principle of Indemnity, Principle of Insurable Interest, Principle of Subrogation, Principle of Utmost Good Faith. Requirements of an Insurance Contract.

**Unit 3: Insurance Company Operations (12 Hours)**

Requirements of an Insurance Contract, Distinct Legal Characteristics of Insurance Contracts. Components of Insurance Contracts – Declarations, Definitions, Insuring agreement, Exclusions, Conditions, and Miscellaneous provisions. Underwriting – Underwriting Policy, Underwriting Principles, Sources of Underwriting Information. Sales and Marketing activities of Insurers. Claims Settlement – Basic Objective, Parties Involved & Steps in Settlement Process. Endorsements and Riders. Deductibles – Concepts and Purpose of Deductibles. Regulatory Framework of Insurance in India (briefly) – Insurance Legislation and IRDA.

**Unit 4: Important Aspects of Insurance Business Management (9 Hours)**

Reinsurance – Definitions, Reasons for Reinsurance, Types of Reinsurance – Facultative & Treaty Reinsurance, Methods of Sharing Losses (Numerical Qs). Alternatives to Traditional Reinsurance – Securitization of Risk and Catastrophe Bonds. Insurance and Investments – Life Insurance Investments, Property and Casualty Insurance Investments. Rate Making – Concept, Objectives, Rate Making Methods (Numerical Qs) – Judgement, Class and Merit Rating Method. Coinsurance – Nature, Purpose and Problems. Other Important Provisions – Pro Rata liability, Contribution by Equal Shares, and Primary and Excess Insurance.

**Essential Readings:**

1. Rejda, G. E., McNamara, M. J., & Rabel, W. H. (2021). *Principles of Risk Management and Insurance*. (14th ed.). Pearson Education.
2. Mishra, M. N., & Mishra, S. B. (2016). *Insurance Principles and Practice*. (14th ed.). S. Chand and Company.

**Additional Readings:**

1. Gupta, P. K. (2022). *Insurance and Risk Management* (2nd ed.). Himalaya Publishing House.
2. Institute of Chartered Accountants of India. (2021). *Diploma in Insurance and Risk Management* [Course modules].

**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.

**Examination scheme and mode:**

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

**Key Words**

Risk Management, Principles of Insurance, Insurance Contract, Underwriting, Reinsurance, Rate Making and Coinsurance.

## DSE 4:INTERNATIONAL FINANCIAL ARCHITECTURE

### Credit distribution, Eligibility and Pre-requisites of the Course

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture				
DSE 4: INTERNATIONAL FINANCIAL ARCHITECTURE	4	3	1	NIL	Class XII	NIL

**Course Objective:** This paper will acquaint students with the latest developments in the international business relationships and agencies funding for country's development.

### Learning Outcomes:

After completion of this paper:

- Students shall be aware of the latest development in the international business relationships which will enable them to make better decisions related to international business.
- Students shall have the knowledge of different international investment avenues and opportunities available.
- Students shall be aware of various regional trading blocks, international institutions and funding agencies.

### Course Contents:

#### Unit 1(12 Hours)

Review of Economic Theory on International Trade: Basis for international trade; gains from trade; distributional issues, policy instruments and their impact, political economy. Importance, nature and scope of international relation, modes of entry into international business, internationalization process and managerial implications. Domestic, foreign and global environments and their impact on international business decision; Growing concern for green trades.

#### Unit 2(12 Hours)

International economic & trading environment: Regional integration and trade blocks, regionalism v/s. multilateralism, European Union. Integration of developing countries – BRICS, ASEAN, SAARC, SAFTA, NAFTA, G-20. World trade in goods and services – Major trends and developments; World trade and protectionism – Tariff and non-tariff barriers; Counter trade, UNCTAD, WTO, GATT, GATS, TRIM, TRIPS; India's role in facilitating trade relations under BRICS, SAARC, SAFTA, ASEAN and to WTO.

**Unit 3(9 Hours)**

International investment: Types and significance of foreign investments, factors affecting international investment, growth and dispersion of FDI, Cross border mergers and acquisition, foreign investment in India-Impact of reforms on competitiveness of the Indian Firms, EURO/ADR issues, ECBs; current economic crises in US/Europe/Asia and its impact on economic growth in India.

**Unit 4(12 Hours)**

Economic institutions – International Monetary Funds (IMF), World Bank (IBRD, IDA, IFC), Asian Development Bank, BRICS Development Bank, European Bank for Reconstruction and Development, Bilateral funding arrangements with special reference to Japan International Cooperation Agencies (JICA), agencies of USA; Case studies on Bilateral financing arrangements of Indian projects like Delhi Metro, Dedicated Freight corridor, Nuclear Power Plant etc.

**Essential Readings:**

1. Radebaugh, L.H., Sullivan, D.P., Salwan, P., & Daniels, J.D. (n.d.). International Business Environments and Operations (15th ed). Pearson.
2. Hill, W. L., Charles, & Jain, A.K. (2008). International Business (6th ed). India: McGraw Hill.

**Additional Readings:**

1. Bennet, R. (1999). International Business. Financial Times. London: Pitman Publishing.
2. Vyuptakesh, S. (2003). International Business (2nd ed). India: Pearson Education.
3. Krueger, A. O. (2002). Economic Policy Reforms and the Indian Economy. OUP.
4. Velasquez, M. G. (2012). Business Ethics Concepts and Cases (7th ed.). New Delhi: PHI.

**Teaching Learning Process:**

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

**Examination scheme and mode:**

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

**Key Words**

International Trade, Trade blocks, Foreign investments, ECBs, Bilateral financing, Multilateral Institutions.