DISCIPLINE SPECIFIC ELECTIVE (DSE) COURSES

DSE 1: STRATEGIC CORPORATE 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	Tutorial	Practical/ Practice		
Strategic Corporate Finance DSE-1	4	3	1	0	Class XII	Basic of Finance

Course Objectives:

- To know the details of corporate finance and the strategies involved in the corporate decisions.
- To enable the students to steer the corporate strategies issues and challenges in better manner.
- To provide the key concepts and ideas of decision tree analysis and the Black-Scholes model in the valuation of real options.
- To assess the considerations and strategies involved in company disposals, including non-core subsidiary sales, valuation, timing, and tax planning.

Learning Outcomes:

After studying this course the learners will be able:

- Understand the role of strategy and planning in financial decisions
- Understand the importance and components of a Value Added Statement.
- Identify different types of strategic costing and their relevance.
- Discuss strategic cost reduction techniques.
- Determine the feasibility of a management buy-out.
- Develop a business plan and financial forecasts for submission to potential funders.
- Define bankruptcy and Identify factors leading to bankruptcy.
- Understand the process of reorganizing distressed firms and liquidation process of firms
- Gain an overview of company valuation.
- Analyze the substitutability of capital structure.

Course Contents:

Unit 1 **(12 hours)**

Introduction to strategic corporate finance: Strategy Vs Planning, significance of strategy in financial decisions, Different types of financial strategy for Shareholders Wealth Maximization, Economic Value Addition, Value added statement. Strategic Cost Management:

Traditional costing Vs Strategic Costing, Relevant costs Vs Irrelevant costs, Different types of strategic costing and their relevance- Target Costing, Activity based Costing, Life Cycle Costing, Quality Costing, Zero Based Budgeting, Strategic cost reduction techniques and value chain analysis.

Unit 2 **(12 hours)**

Management Buy-outs: Establishing feasibility of the buy-out, Negotiating the main terms of the transaction with the vendor including price and structure, Developing the business plan and financial forecasts in conjunction with the buy-out team for submission to potential funders.
Management Buy-ins: Management Buy-in/Buy-outs ("BIMBOs"), Vendor-initiated buyouts/buy-ins.
Real options: Financial and real options compared, various types of real options, the Black Scholes model, Decision tree analysis, application of Real options, Drawbacks of Real options.

Unit 3 **(12 hours)**

Financial Distress and restructuring: Meaning of Bankruptcy, Factors leading to bankruptcy, symptoms and predictions of bankruptcy, reorganization of distressed firms, liquidation of firms.
Company disposals: sale of a non-core subsidiary, Exit strategy, valuation, timing of sale and tax planning opportunities and calculation of the various tax implications. Fundraising: identification of different sources of development capital, determination of capital structure and factors affecting the capital structure, cost of capital and cost saving strategy.

Unit 4

(9 hours)

Company Valuation: an overview of valuation, valuation principles and practices, the impact of "what if" scenarios. Other strategic issues: managing credit ratings, dividend and share repurchase policy. Strategic risk management, substitutability of capital structure, risk management choices, financial, physical and operational hedging.

Essential Readings:

1. Pettit, J., *Strategic Corporate Finance Applications in Valuation and Capital Structure*, John willey & sons, Inc.
2. Damodaran, A., *Corporate finance theory and practice*; John willey & sons.

Additional Readings:

3. Jakhotia, *Strategic Financial Management*, Vikas Publication.
4. Damodaran, A., *Applied Corporate Finance*, John willey & Sons.

Examination scheme and mode:

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

DSE 2: CORPORATE ANALYSIS & VALUATION

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		
Corporate Analysis & Valuation DSE-2	4	3	1	0	Class XII	Basic of Accounting and finance

Objective:

- To enable the learners to analyse the health of a company through their annual reports and will equip them to understand how to determines its value.

Learning Outcomes:

After studying this course the learner will be able to understand:

- The financial health of a company through qualitative and quantitative analysis.
- The basic of valuation and Cash Flows Forecasting.
- The various valuation techniques for company's valuation and their application

Course Contents

Unit 1: Analysis of Corporate Financial Statements (12 hours)

Analysis of Corporate Financial Statements: Income statements and Balance sheets through ratio analysis and analysing the Chairman's statement, Directors' report, management discussion & analysis, report on corporate governance, auditor's report to evaluate the financial soundness of the company. Understanding financial statements of manufacturing and service organisations. Common size analysis and relevant ratios (Study from the Annual Reports of the companies).

Unit 2: Introduction to Valuation Techniques & Cash Flows Forecasting (12 hours)

Introduction to Valuation: Value and price, Balance sheet-based methods, Income statement-based methods. Cash flow discounting-based methods. Deciding the appropriate cash flow for discounting, The free cash flow to the firm, free cash flow to equity. Forecasting Cash flows: simple model for forecasting income and cashflows. Earnings, Tax effect, Reinvestment needs, dividend.

Unit 3. DCF Valuation, Discount Rates & Beta (12 hours)

Discounted Cash flow Valuation: Valuation of a company with no growth, constant growth, variable growth and infinite life. Estimating Discount Rates – cost of equity, cost of debt, tax shield, weighted average cost of capital. Calculation of beta, instability of beta, adjusted beta, levered and unlevered beta.

Unit 4: Relative Valuation & Other Applications (9 hours)

Relative Valuation: standard multiples, comparable companies, potential pitfalls; estimating multiples using regression. Valuation of brands and intellectual capital. Interest rates and company valuation. Impact of inflation on valuation. Reconciling relative and discounted cash flow valuation. Case studies in valuation.

Essential Readings:

1. Damodaran, A. (2016). Damodaran on Valuation: Security Analysis for Investment and Corporate Finance. John Wiley & Sons.

2. Chandra, P. (2019). Corporate Valuation and Value Creation. Tata McGraw-Hill. Education.

Additional Readings:

1. Foster, G. (1986). Financial Statement Analysis. Prentice Hall.

Latest Editions of the Readings may be used.

Examination scheme and mode:

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

DSE 4: FINANCIAL ECONOMETRICS

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		
Financial Econometrics DSE-4	4	3	1	0	Class XII	**Basic understanding of statistics and time series analysis**

Learning Objectives

The course will help the learner to:

- Understand the statistical properties of financial returns, including their distribution, time dependency, and linear dependency across asset returns.
- Develop knowledge of univariate time series analysis, including the Lag operator, ARMA processes, and the Box-Jenkins approach.
- Gain proficiency in modeling volatility using conditional heteroscedastic models, such as ARCH and GARCH models, and forecasting with GARCH models.
- Learn multivariate GARCH models, including the VECH model, diagonal VECH model, and BEKK model, and estimation of a multivariate model.
- Acquire knowledge of vector autoregressive models, Granger causality tests, and Johansen cointegration tests and their hypothesis testing methods.

Learning Outcomes:

The course will help the learner to:

- Analyze the statistical properties of financial returns and evaluate their distribution, time dependency, and linear dependency across assets using knowledge and comprehension skills.
- Create and apply univariate time series models, including AR, MA, and ARMA processes, using synthesis and evaluation skills to forecast financial returns.

- Develop and estimate conditional heteroscedastic models, such as ARCH and GARCH models, using analysis and evaluation skills to model and forecast volatility.
- Construct and evaluate multivariate GARCH models, including VECH, Diagonal VECH, and BEKK models, using synthesis and evaluation skills to model volatility and correlations.
- Evaluate and apply advanced econometric techniques, including VAR, GCT, and JCT, using analysis and evaluation skills to test hypotheses and model complex relationships in financial time series data.

Course Contents:

Unit 1: Statistical Properties of Financial Returns & Univariate Time Series and Applications to Finance (15 hours)

Introduction Asset Returns, Calculation of Asset Returns (Continuous and discreate both), Compare Continuous return with non-Continuous return and explain its benefits. Facts about Financial Returns, Distribution of Asset Returns, Time Dependency, Linear Dependency across Asset Returns.

Introduction to Univariate Time Series, The Lag Operator, Properties of AR Processes, Properties of Moving Average Processes, Autoregressive Moving Average (ARMA) Processes, The Box-Jenkins Approach.

Unit 2: Modelling Volatility – Conditional Heteroscedastic Models (9 hours)

Introduction to Modelling Volatility, ARCH Models, GARCH Models, Estimation of GARCH Models, Forecasting with GARCH Model, Asymmetric GARCH Models, The GARCH-in-Mean Model

Unit 3: Modelling Volatility and Correlations – Multivariate GARCH Models (9 hours)

Introduction to Modelling Volatility and Correlations, Multivariate GARCH Models, The VECH Model, The Diagonal VECH Model, The BEKK Model, The Constant Correlation Model, The Dynamic Correlation Model, Estimation of a Multivariate Model

Unit 4: Vector Autoregressive Models (VAR), Granger Causality Test (GCT) and Johansen Cointegration Test (JCT) (12 hours)

Introduction to VAR, Deep understanding of VAR, Issues in VAR, Hypothesis Testing in VAR.
Introduction to GCT, Deep understanding of GCT, Issues in GCT, Hypothesis Testing in GCT
Introduction to JCT, Deep understanding of JCT, Issues in JCT, Hypothesis Testing in JCT.

Essential Essential/ recommended Readings

- Brooks, C. (2014). Introductory econometrics for finance (3rd ed.). Cambridge University Press.

- Tsay, R. S. (2010). *Analysis of financial time series* (3rd ed.). Wiley.
- Bollerslev, T. (2008). Glossary to ARCH (GARCH). *Journal of Economic Perspectives*, 15(4), 171-174. doi: 10.1257/jep.15.4.171
- Engle, R. F., & Kroner, K. F. (1995). *Multivariate simultaneous generalized ARCH. Econometric Theory*, 11(1), 122-150. doi: 10.1017/S0266466600009063

Suggestive Readings

- Brooks, C (2019). *Introductory Econometrics for Finance*. Cambridge University Press.
- Pindyck, R.S. and Rubinfeld, D.L, *Econometric Models and Economic Forecasts.* Singapore: McGraw Hill.
- Ramu, R (2002). *Introductory Econometrics with Applications* (5th ed.). Thomson South-Western:

Examination scheme and mode:

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

DSE 8: MARKETING OF FINANCIAL SERVICES

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		
Marketing of Financial Services DSE-8	4	3	1	0	Class XII	NA

Course Objective:

- To introduce students to the marketing of financial services. All financial institutions, including consumer banks and corporate finance services, practice some form of marketing. Some firms market themselves better than others, as evidenced in the competitive value of their brands. This course also operationalizes several marketing concepts such as segmentation, targeting, and positioning.

Learning Outcomes:

After studying this course the student will be able to:

- Explain and illustrate some of the frameworks and approaches that are helpful in marketing financial services**.**
- Outline how to efficiently manage multiple product or brand portfolios across multiple customer segments, and how to develop an effective marketing strategy in modern financial service organizations.

Course Contents:

Unit 1: Introduction to Marketing of Services (12 hours)

Growth of the Service Sector – The Concept of Service – Characteristics of Services, Classification of Services, Service Marketing Mix (Additional Dimensions in Services Marketing – People, Physical Evidence and Process). Internal Marketing of a Service - External versus Internal Orientation of Service Strategy, Service Encounter, Service Failure and Service Recovery, learning from customer feedback.

Unit 2: Marketing Strategy (12 hours)

Planning, organizing and implementing marketing operations; marketing as a management function. Market Research – Establishing a marketing information system; the marketing research process. Market segmentation – Target marketing; Market segmentation, targeting and positioning the financial services organization in the market place.

Unit 3: Banking and Insurance Services (12 hours)

Retail Financial Services: Retail banking, meaning of banking business, introduction to various bank products, selling bank products. Concept of cross selling, Impact of technology on bank marketing (Internet banking, mobile banking and UPI). Insurance – Meaning, advantages various types of insurance, financial planning process. Risk Management – Strategy to cover risk, introduction to IRDAI, selling of insurance plans. Bancassurance – Bank as a distribution channel for insurance services**.**

Unit 4: Regulations Governing Financial Services Marketing (9 hours)
Ethical issue in the marketing of financial services, Ethics in relation to the individual and society as a whole. Mutual Fund Structure, sales and distribution channels. Distribution channels; the impact of technology; online marketing, The dimension of customer care; services quality and services recovery; global marketing.

Essential Readings:

1. Zeithaml, V. A., Bitner, M. J., Gremler, D. D., & Pandit, A. (n.d.). *Services Marketing*. McGraw Hill.

2. Avdhani, V. A. (n.d.). *Marketing of Financial Services*. HPH.

3. Gupta, P. K. (n.d.). *Insurance and Risk Management*. HPH.

4. Estelami, H. (n.d.). *Marketing Financial Services*.

Examination scheme and mode:

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

DSE 10: ENTREPRENEURIAL 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	Tutorial	Practical/ Practice		
Entrepreneurial Finance DSE-10	4	3	1	0	Class XII	Basic understanding of concepts related Entrepreneurship

Course Objectives:

The Learning Objectives of this course are as follows:

- To develop an understanding of the principles of entrepreneurial finance and the role of finance in the successful venture life cycle.
- To identify and analyze the key elements of a business plan and choose an appropriate form of business organization for the venture.
- To apply short-term and long-term financial planning techniques to forecast sales, estimate sustainable growth rates, and determine additional financing needs to support growth.
- To analyze different valuation methods, including discounted cash flow and venture capital valuation, and apply them to value early-stage ventures and venture capital investments.
- To evaluate different financing alternatives, including professional venture capital, business incubators, seed accelerators, and foreign investor funding sources, and design appropriate security structures for growing ventures, such as common stock, preferred stock, convertible debt, and warrants/options.

Learning Outcomes:

Upon completion of the course the learner will be competent to:

- Apply the principles of entrepreneurial finance and understand the role it plays in the successful venture life cycle, including the key elements of a business plan and forms of business organizations.
- Develop short-term and long-term financial plans using systematic forecasting techniques and estimate sustainable sales growth rates and additional financing needed to support growth.
- Evaluate early-stage ventures using different valuation methods, including present value, discounted cash flow, and venture capital valuation techniques.

- Compare and analyze different financing alternatives, including professional venture capital, business incubators, seed accelerators, and foreign investor funding sources, and design appropriate security structures for growing ventures.
- Adopt a life cycle approach for entrepreneurial finance and understand financial bootstrapping and business angel funding as alternative financing options for the different stages of the venture life cycle.

Course Contents

Unit I: Introduction to Finance for Entrepreneurs (9 hours)
Principles of Entrepreneurial Finance, Role of Entrepreneurial Finance. The Successful Venture Life Cycle. Key Elements of a Business Plan. Forms of Business Organisations and Choosing the Appropriated Organization. Financing through the Venture Life Cycle, Financial Bootstrapping and Business Angel Funding. Life Cycle Approach for Entrepreneurial Finance.

Unit 2: Financial Planning for Enterprises (12 hours)
Short Term Financial Planning: Short Term Cash Planning Tools, Cash Planning from a Projected Monthly Balance Sheet. Long Term Financial Planning: Systematic Forecasting – Forecasting Sales for Seasoned Firms, Forecasting Sales for Early-Stage Ventures. Estimating Sustainable Sales Growth Rates. Estimating Additional Financing needed to support Growth.

Unit 3: Valuing Ventures (12 hours)
Valuing Early-Stage Ventures: Concept, Basic Mechanics of Valuation – Present Value Concept, Estimates and Discounted Cash Flow. Just in Time Equity Valuation. Venture Capital Valuation Methods: Review of Basic Cash Flow Based Equity Valuations, Basic Venture Capital Valuation – Using Present Values and Future Values. Earning Multipliers and Discounted Dividends.

Unit 4: Structuring Financing for Growing Venture (12 hours)
Professional Venture Capital – History and Overview, Professional Venture Investing Cycle. Other Financing Alternatives – Business Incubators and Seed Accelerators; Intermediaries, Facilitators and Consultants; Business Crowdsourcing and Crowdfunding; Commercial and Venture Bank Lending, Foreign Investor Funding Sources. Designing Security Structures – Common Stock, Preferred Stock, Convertible Debt, Warrants and Options, Other Concerns.

Essential Readings

4. Leach, C. J., Melicher, R. W. (2017). *Entrepreneurial finance*. Cengage Learning.
5. Stancill, J. M. (2016). *Entrepreneurial finance: A casebook*. Thomson.
6. Shepherd, D. A., & Zacharakis, A. (2014). *Entrepreneurial finance: Strategy, valuation, and deal structure*. Academic Press.

Additional Readings:

4. Hornsby, J. S., Kuratko, D. F., & Zahra, S. A. (2002). Middle managers' perception of the internal environment for corporate entrepreneurship: assessing a measurement scale. Journal of business venturing, 17(3), 253-273.
5. Sahlman, W. A. (1990). The structure and governance of venture-capital organizations. Journal of financial economics, 27(2), 473-521.
6. Hsu, D. H. (2004). What do entrepreneurs pay for venture capital affiliation? Journal of finance, 59(4), 1805-1844.

Examination scheme and mode:

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

DSE 12: WEALTH 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	Tutorial	Practical/ Practice		
Wealth Management DSE-12	4	3	1	0	Class XII	NA

Course Objectives:

- To equip students with the knowledge and practical understanding of important dimensions of wealth management.
- To understand and do planning for their tax liabilities, investments, insurance coverage, retirement and estate needs.

Learning Outcomes:

After the completion of this course the student will be able:

- To provide an overview of various aspects related to wealth management.
- To acquaint the learners with issues related to taxation in wealth management.
- To study the relevance and importance of insurance in wealth management.
- To understand the importance and process of choosing right investments.
- To understand various components of retirement and estate planning.

Course Contents

Unit I: Basics of Wealth Management and Tax Planning (12 hours)

Introduction to Wealth Management, Need for Wealth Management, Components of Wealth Management, Process of Wealth Management, Code of Ethics for Wealth Managers, Wealth Management in India. Tax Planning – Tax Avoidance versus Tax Evasion, Fundamental Objectives of Tax Planning, Tax Structure in India for Individuals, Common Tax Planning Strategies – Maximizing Deductions, Income Shifting, Tax-Free and Tax-Deferred Income.

Unit 2: Managing Insurance Needs (12 hours)

Basics Concepts – Risks, Risk Management and Underwriting. Insuring Life – Benefits of Life Insurance, evaluating need for Life Insurance, Determining the Right Amount of Life Insurance. Choosing the Right Life Insurance Policy – Term Life Insurance, Whole Life Insurance, Universal Life Insurance, Variable Life Insurance, Group Life Insurance, Other Special Purpose Life Policies. Buying Life Insurance – Compare Costs and Features, Select an Insurance Company, and Choose an Agent. Life Insurance Contract Features. Insuring Health – Importance of Health Insurance Coverage. Making Health Insurance Decision – Evaluate Your Health Care Cost Risk, Determine Available Coverage and Resources, Choose a Health Insurance Plan. Types of Medical Expense Coverage. Policy Provisions of Medical Expense

Plans. Property Insurance – Basic Principles, Types of Exposure, Principle of Indemnity, and Coinsurance.

Unit 3: Managing Investments (12 hours)
Role of Investing in Personal Financial Planning, Identifying the Investment Objectives, Different Investment Choices. The Risks of Investing, The Returns from Investing, The Risk-Return Trade-off. Managing Your Investment Holdings – Building a Portfolio of Securities, Asset Allocation and Portfolio Management, Keeping Track of Investments. Investing in Equity – Common Considerations, Key Measures of Performance, Types of Equity Stocks, Market Globalization and Foreign Stock, Making the Investment Decision. Investing in Bonds – Benefits of Investing in Bonds, Bonds Versus Stocks, Basic Issue Characteristics, The Bond Market, Bond Ratings. Investing in Mutual Funds and Exchange Traded Funds (ETFs) – Concept of Mutual Funds and ETFs, Benefits of Investing in Mutual Funds or ETFs, Some Important Cost Considerations, Services Offered by Mutual Funds, Selecting appropriate Mutual Fund and ETF investments, Evaluating the performance of Mutual Funds and ETF.

Unit 4: Retirement Planning and Estate Planning (9 hours)
Retirement Planning – Role of Retirement Planning in Personal Financial Planning, Pitfalls to Sound Retirement Planning, Estimating Income Needs, Sources of Retirement Income. Estate Planning – Fundamentals of Estate Planning, Impact of Property Ownership and Beneficiary Designations, Estate Planning Documents, and Executing Basic Estate Planning.

Essential Readings:
1. Billingsley, R. S., Gitman, L. J., & Joehnk, M. D. (2017). Personal Financial Planning. Cengage Learning.
2. Tillery, S. M., & Tillery, T. N. (n.d.). Essentials of Personal Financial Planning. Association of International Certified Professional Accountants.

Additional Readings:
1. Indian Institute of Banking & Finance. (2017). Introduction to Financial Planning (4th Edition).

2. Sinha, M. (2017). Financial Planning: A Ready Reckoner. Mc Graw Hill.

Examination scheme and mode:

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