

SEMESTER VI (Finance)

0201080: INTERNATIONAL ECONOMY AND FINANCE

Full Marks: 100

The World of International Economy and Finance

Marks: 12

Introduction; Growing Importance; International Financial Management: Globalisation and International Finance, Scope of IFM, Role of the International Financial Manager; Theories of International Trade: The Mercantilist's Views on Trade, Trade Based on Absolute Advantage - Adam Smith, Comparative Advantage - David Ricardo, The Heckscher Ohlin Theory, National Competitive Advantage - Porter's Diamond; Dynamics of Entering Foreign Markets: Different Modes of Entry to Foreign Markets; Global Financial Markets; Classification of Financial Markets: Details of Offshore Markets, Evolution; Interest Rates in Global Money Markets; International Trade Policies

The Foreign Exchange Market

Marks: 13

Introduction; Functions; Forex Market Participants; Foreign Exchange; Spot Market; Exchange Rate Quotations: Direct vs Indirect Quote, American vs European Quote, Bid and Ask Rate, Inter Bank Quote and Merchant Quote; Market Mechanism and Conventions: Inverse Quotes, Cross Rates; Types of Transactions: Forward Quotes, Discount and Premium, Forward Rates vs. Expected Spot Rates, Broken-date Forward Contracts, Option Forwards, Swaps; Settlement Dates: Short Date Contracts, The First Quote; Quotes for Various Kinds of Merchant Transactions: Spot TT Buying Rate, Spot TT Selling Rate, Forward TT Buying Rate, Forward TT Selling Rate, Bill Buying Rate, TC Buying Rate, TC Selling Rate; The Indian Forex Markets: Forward Exchange Contracts. Other Regulations, Early Delivery/ Extension or Cancellation of Forward Exchange Contracts

Introduction to Currency and Interest Rate Swaps

Marks: 9

Introduction; Interest Rate Swap: Bank as an Intermediary; Currency Swaps; Comparison of Swap and Forward Contracts: Swap Spreads; Commodity Swaps; Swap Market in India: Cross Currency and FX Interest Rates Swaps in India, MIFOR Swap Market; Futures and Options on Foreign Exchange: Currency Future Markets

Balance of Payments

Marks: 12

Introduction; Grouping of Balance of Payment Accounts: The Current Account, The Capital Account, Official Reserves Account; The Balance of Payments Identity; The Currency Convertibility; The Balance of Payments of India: India's Balance of Payments on Current Account, Balance of Payments on Capital Account, Reserve for Deficit in Capital Account

International Monetary System

Marks: 12

Introduction; Evolution: Bimetallism Before 1875, The Gold Standard, The Bretton Woods System, Post Bretton Woods System (The Current System); The European Monetary Union; Exchange Rate Mechanisms: Fixed Exchange Rate System, Floating Exchange Rate System, Hybrid Mechanism; Financial Crises in the Post Bretton Woods Era: Third World Debt Crisis, Mexican Currency Crisis of 1995, The Brazilian Crisis, Argentinean Crisis, The Asian Crisis of 1997, Lessons from the Asian Currency Crisis

Economic Theories of Exchange Rate and the Purchasing Power Principle

Marks: 10

Economic Theories of Exchange Rate Determination; Prices and Exchange Rates; The Asset Approach to Exchange Rate; Interest Rate Parity (IRP); International Fisher Effect; Exchange Rate Forecasting: The Demand – Supply Approach, The

Institutional Setting, Fundamental Analysis, Confidence Factors, Expected Theory of Forward Rates, Events, Technical Analysis, Fundamental and Technical Forecasting, The Monetary Approach, Portfolio Balance Approach

Exchange Risk Management

Marks: 10

Foreign Exchange Risk; Business Risk; Defining Exposure and Risk; Classification of Currency Exposure: Transaction Exposure, Translation Exposure, Operating Exposure, Strategic Exposure; Management of Exchange Risk: Forward Market Hedge, Hedging through Futures, Money Market Hedge, Option Market Hedge, Hedging Recurrent Exposure with Swap Contracts, Exposure Netting, Hedging via Lead and Lag, Hedging through Invoice Currency

The International Financial Market and Instruments

Marks: 11

Introduction; Origin; India's Presence in International Markets; International Money Market: Euro Currency Market, Euro Credits, Euro Notes, Euro Medium Term Notes, Euro Commercial Paper; Instruments Available in International Capital Markets: Debt Instruments, Types of Debt Instruments, International Bond and Market Credit Ratings, Euro Market Structure and Practices; Equity Instruments: Global Depository Receipts, American Depository Receipt

Export-Import Financing and Guidelines for India

Marks: 11

Introduction; Letter of Credit (LC): Parties to a Letter of Credit, Duties and Responsibilities of Parties to an LC, How a Letter of Credit Operates?, Different Kinds LC, Documents under a Letter of Credit, Further Information on the Procedure; Other Financing Mechanisms; Historical Perspective of the Export-Import Policy; Objectives of the Exim Policy 2002-07; Highlights of the EXIM Policy 2002-07 (As amended up to 31.03.2003)

Reference Books:

1. Ashraf Laïdi (2008). Currency Trading and Inter-market Analysis: How to Profit from the Shifting Currents in Global Markets (Wiley Trading). Wiley; New edition.
2. Barry Eichengreen (2008). Globalizing Capital: A History of the International Monetary System. Princeton University Press; Second edition.
3. Belay Seyoum (2008). Export-Import Theory, Practices, and Procedures. Routledge; Second edition
4. Bob. Steiner (2007). Mastering Financial Calculations: A step-by-step guide to the mathematics of financial market instruments. FT Press; Second edition.
5. Brian Coyle (2002). Foreign Exchange Markets: Currency Risk Management (Risk Management Series). Global Professional Publishing; Revised edition.
6. Carl A. Nelson (2000). Import/Export: How to Get Started in International Trade. McGraw-Hill; Third edition.
7. David K. Horvat (2011). The Export-import Bank. Nova Science Pub Inc

0201140: FINANCIAL INSTITUTIONS

Full Marks: 100

Financial System

Marks: 17

Evolution of Development Financial Institutions in India; Overview of Formal and Informal Financial Systems; Indian Financial System: Components of the Formal Financial System, Financial Regulators, Functions of the Financial System, Nature and Role of Financial Institutions and Financial Markets; The Financial System and Economic Growth; Evolution of Financial Institutions in India: Pre-reforms Period, Post Reforms Period, Challenges Ahead; Evolution of Development

Financial Institutions: Organisational Structure, Financial Institutions, All India Financial Institutions, State Level Financial Institutions

Banking Institutions

Marks: 17

Definition of Non Banking Financial Companies (NBFCs): Types, Growth, Regulation, Supervision and Control; Development of Banking in India: Functions of Commercial Banks, Scheduled Commercial Banks, Reforms in the Banking Sector, Housing Finance System in India; Housing and Urban Development Corporation (HUDCO); State Housing Finance Societies (SHFSs); Housing Development Finance Corporation Ltd. (HDFC); National Housing Bank; Economic Development and Housing Finance; Growth Trends

Mutual Funds

Marks: 15

Definition: Advantages, Disadvantages of Investing in Mutual Funds, Types; Organisation; Association of Mutual Funds in India (AMFI); Control and Supervision; Unit Trust of India (UTI); Growth and Development of Mutual Funds in India

Insurance companies and Financial Regulators

Marks: 18

Opening up of the Insurance Sector Life Insurance; General Insurance; Health Insurance; Insurance Intermediaries; Reserve Bank of India: Need for Financial Regulation; Securities and Exchange Board of India (SEBI); National Bank for Agriculture and Rural Development (NABARD); Insurance Regulatory and Development Authority (IRDA): Insurance Regulatory and Development Authority (IRDA) in India

Personnel Banking

Marks: 18

Introduction to Personal Banking; Electronic Banking: Cards, Electronic Purse, Electronic Clearing Service, ECS Credit, ECS Debit; Bank Teller Machines; Automated Teller Machines; Internet Banking; Telephone Banking; Electronic Funds Transfer; Resident Foreign Currency Accounts: Foreign Currency (Non-resident) Deposit Accounts (FCNR (B)), Temporary Foreign Currency Accounts; Foreign Currency Accounts; NRI's return to India

Loan Products and Dematerialization of Shares

Marks: 15

Retail Loans; Personal Loans; Consumer Durable Loans; Loans to Professionals and Self Employed Persons; Vehicle Loans; Educational Loan; Housing Finance; Dematerialisation of Shares; Meaning of a Depository; Operations of a Depository System

Reference Books:

1. *Modern Financial Systems: Theory and Applications* [Paperback]. Neave Edwin H. Publisher: John Wiley and Sons; 1 edition (2009) 558 pages
2. *The Indian Financial System: Markets, Institutions and Services* [Paperback]. Pathak Bharati V. Publisher: Pearson Education India; 1 edition (2007) 752 pages.
3. *The Indian Financial System: Markets, Institutions and Services* [Paperback]. Pathak Bharati V. Publisher: Pearson Education India; 1 edition (2007) 752 pages
4. *Understanding India's Economic Reforms in 6 Volumes* [Paperback]. Kapila R. & Kapila U. Publisher: Academic Foundation (2004) 331 pages
5. *The Indian Financial System: Markets, Institutions and Services* [Paperback]. Pathak Bharati V. Publisher: Pearson Education India; 1 edition (2007) 752 pages

0201081: CORPORATE TAX PLANNING

Full marks: 100

Basic Concepts of Income Tax

Marks: 12

Introduction; Income Tax; Components of Income Tax Act: Income, Capital and Revenue Receipts, Receipts Bereft of Revenue Element, Rates of Tax, Defining 'Person', Assessee, Assessment Year (AY) [Sec. 2(9)], Previous Year [Sec. 2(34) and Sec. 3]; Coverage Under Income: Computation of Total Income, Computation of Tax Liability on Total Income; Charging Section; Meaning of Total Income in the Context of Residential Status - Sec. 5; Scope and Orbit of Business Connection in the Case of Non-resident

Taxation of Companies, Tax Planning and Tax Evasion

Marks: 12

Introduction; Definitions of Company; Residence; Carry Forward and Set Off of Losses; Assessment of Companies: Rates of Income Tax, Surcharge; Deemed Income; Allowing Tax Credit; Computing Book Profits; Tax Planning and Tax Evasion; Tax Avoidance and Not Tax Planning; Tax Management; Objectives; Types: Factors Affecting Tax Planning Areas of Tax Planning

Form of Organisation and Location of a Business

Marks: 13

Introduction; Sole Proprietorship; Hindu Undivided Family: Assessment of Hindu Undivided Family, Steps for Computation of Income Tax of HUF; Partnership Form of Organisation; Position of Firm under the Income Tax Act: Assessment of Firm, Computation of Total Income of the Firm, Computation of Book Profit [Explanation 3 to Section 40 (b)], Computation of Total Income of Firm; A Corporate Form; Location of Business: Free Trade Zones, Special Economic Zones, Hundred Percent Export Oriented Units, North Eastern Region

Nature of Business

Marks: 15

Introduction; Nature of New Business; Income of a Venture Capital Fund; Income of an Infrastructure Capital Fund or Company: Infrastructure Facility; Development Account (Tea, Coffee, Rubber); Site Restoration Fund: Restriction on Utilisation of the Amount Deposited; Amortisation of Telecom License Fee: Sale of License; Amortisation of Preliminary Expenses: Eligible Expenditure; Deduction for Expenditure on Prospecting for Minerals; Civil Construction; Business of Plying, Hiring or Leasing Goods Carriages; Retail Business Section; Infrastructure Development; Certain Industrial Undertakings Other than Infrastructure Development; Business of Processing of Biodegradable Waste; Offshore Banking Units and International Financial Service Centre; Tax Incentives for Shipping Business -Tonnage Tax

Financial Management and Managerial Decisions

Marks: 15

Introduction; Optimum Capital Structure: Features on an Appropriate Capital Structure; Major Considerations in Capital Structure Planning; Value of the Firm and Capital Structure; Dividend Policy: Factors affecting Dividend Decisions, Constraints on Paying Dividends, Importance of Stability of Dividends, Deemed Dividend, The Implications of the Working of Section 2(22), Exemptions Regarding Dividends Received by a Shareholder, Deduction of Tax from Dividends (Section 1); Alternative Forms of Dividends: Bonus Shares (Stock Dividend), Stock (Share) Split, Stock Repurchase, Stock Repurchase Viewed as Cash Dividend; Types of Dividend Policies: Constant Payout Ratio Dividend Policy, Regular Dividend Policy, Low Regular and Extra Dividend Policy; Bonus Shares: Capital Gains on Bonus Shares; Purchase of Assets Out of Own Funds or Out of Borrowed Capital; Purchase of an Asset vs. Lease; Purchase by Instalment vs. Hire; Sale of Assets used for Scientific Research; Make or Buy; Repairs, Replacement, Renewal or Renovation; Shut-down or Continue; Order of Set Off

Amalgamation, Merger or Demerger of Companies

Marks: 12

Introduction; Meaning of Terms as Per Tax Law Amalgamation, Demerger: Demerger; Income Tax Implications in Case of Amalgamation or Demerger; Quantum of Depreciation: Computation of Depreciation, Notional Written Down Value; Amortisation of Expenditure in the Case of Amalgamation/Demerger: Scientific Research, Transfer of Capital Asset in Case of Amalgamation/Merger /Demerger; Computation of Capital Gains (Section 48 to 51); Carry Forward and Set Off of the Accumulated Losses and Unabsorbed Depreciation Allowance: In Case of Amalgamation, In Case of Demerger , In Case of Demerger, In Case of Reorganisation of Business

Employees' Remuneration

Marks: 9

Introduction; Factors Requiring Consideration: Deduction of Remuneration in the Hands of Employer; Taxation of Perquisites in the Hands of Employees; Valuation of Perquisites; Other Perquisites for Specified Employees; Notified Fringe Benefits; Profit in Lieu of Salary; Fringe Benefit Tax; Employer's Obligations; Propositions for Tax Planning

Non Residents

Marks: 12

Introduction; Main Categories; Tax Planning Concerning Residential Status; Salaries of Other Foreign Citizens; Technical Services in Projects Connected with the Security of India; Shipping Business in the Case of Non-residents; Provisions Relevant for NRIs; Operations of Aircraft; Foreign Companies Engaged in Civil Construction; Head Office Expenditure; Income by Way of Royalties; Taxation of International Transactions; Support by Authentic Documentation; Computation of Capital Gains; Tax Treaties: The Elimination of Double Taxation; The Scheme of Advance Ruling

Reference Books:

1. Ruland, W., 1985. *Manager's Guide to Corporate Tax* [Hardcover]. Publisher: John Wiley & Sons Inc.
2. Scholes, M.S., Wolfson, M.A., Erickson, M.M., Maydew, E.L., Shevlin, T.J., 2008. *Taxes & Business Strategy* [Hardcover]. Publisher: Prentice Hall, 4th edition.
3. Shaviro, D.N., 2004. *Corporate Tax Shelters in a Global Economy: Why they are a Problem and What We Can do About it.* (AEI Studies on Tax Reform) [Paperback]. Publisher: AEI Press.
4. Sury, M.M., 2002. *Income Tax in Theory & Practice* [Hardcover]. Publisher: New Century Publications.
5. Tax Facts on Insurance & Employee Benefits 2011 (2 Volume Set): Vol 1 & 2 (Tax Facts on Insurance and Employee Benefits) [Paperback]. National Underwriter Tax & Financial Planning Editors. Publisher: National Underwriter Company, Annual edition.
6. *Tax Planning Strategies: Tax Savings Opportunities for Individuals and Families* (2008-2009). Publisher: CCH, Inc.; 2008-2009 Updated edition. CCH Tax Law Editors.

0201138: INVESTMENT PLANNING AND MANAGEMENT

Full Marks: 100

Financial Planning, Financial Needs and Need Analysis

Marks: 13

Introduction; Need for Financial or Investment Planning; The Process: Conducting Need Analysis, Evaluating Existing Resources, Conducting Risk Assessment, Developing the Financial Plan, Implementing, Monitoring; Common Mistakes in Planning; Financial Needs and Need Analysis: Childhood Stage, Young and Unmarried People, Young Married People, Young Married People Having Children, Married People whose Children Have Grown Up, Pre-retirement Phase, Retirement Phase; Savings and Investment

Personal Financial Activity Steps, Net Worth and Cash Flow

Marks: 10

Prelude to Financial Planning - The First Step; The Second Step of Financial Planning; The Third Step in Personal Financial Planning; Net Worth; Networth Calculations - A Case Study; Cash Flow: Cash Flow Calculations

The Investment Decision Framework and Investment Mathematics

Marks: 15

Introduction; Investment Attributes: Rate of Return, Holding Period Return (HRR), Risk, Marketability, Tax Shelter, Convenience, Time Value of Money, Annuity; Investment Products; Investment Opportunities: Equity Shares or Stocks, Fixed Income Securities, Deposits in Banks and Companies, Tax Sheltered Saving Schemes, Mutual Funds, Real Assets; Investment Decisions; Factors to be Avoided in Investment Planning: Casual Approach, Expecting Unrealistic Returns, Cursory Decision Making , Time Value of Money

Financial Planning Strategies, Financial Markets and Financial Statement Analysis

Marks: 16

Concept of Compounding; The Portfolio: An Aggressive Portfolio, A Conservative Portfolio; Asset Mix; Selection of Securities; Functions of the Financial System, Types of Financial Markets: Money; Capital Market: Commercial Bills Market or Discount Market, Treasury Bill Market; Commercial Paper; SEBI: Objectives of SEBI; Functions of SEBI; Types of Ratios: Liquidity Ratios, Current Ratio = Current Assets/Current Liabilities, Quick Ratio, Leverage Ratios, Debt Equity Ratio, Debt Asset Ratio, Interest Coverage Ratio, Turnover Ratios, Profitability Ratios, Valuation Ratios; Financial Statement Analysis: Parties Interested, Problems of Financial Statement Analysis

Financial Risk Management

Marks: 12

Introduction; How Does Financial Risk Arise; Financial Risk Management; Financial Risk Management: A Selective History; Diversification; Risk Management Process; Factors that Impact Financial Rates and Prices; Yield Curve; Theories of Interest Rate Determination; Key Drivers of Exchange Rates; Theories of Exchange Rate Determination; Factors that Affect Commodity Prices; Protection Against Risk; Types of Risks: Business Risk, Inflation Risk, Interest Rate Risk, Call Risk, Systematic and Unsystematic Risk

Equity Markets

Marks: 11

Introduction; The Role and Function of a Stock Exchange; Trading System: Broker, Contract Note, Settlement Cycle, Rolling Settlement; Electronic Trading: Effects; What an Investor Should Know: Book Closure and Record Date, Bonus Shares, Share Split, Buy Back, Market Index; IPOs; Book Building

Bonds Debentures –Fixed Income Securities and Retirement Planning

Marks: 10

Introduction; Types of Bonds; Principles of Interest Rates; Yield: Yield to Maturity; Bond Valuation: Bond Value with Semi-Annual Interest; Bond Price Theorems; Approximate YTM of a Bond; Valuation of Equity Shares; Retirement Planning; The Case; The Plan

Mutual Funds

Marks: 13

Introduction; Advantages: Diversification, Professional Management, Liquidity, Tax Advantage, Assured Allotments, Regulations; Structure of Mutual Fund; Net Asset Value; Different Types of Mutual Fund Schemes: Open-ended Fund or Scheme, Close-ended Fund or Scheme, Schemes According to Investment Objectives; The Investment Procedure; An Offer Document; Performance of Mutual Funds

Reference Books:

1. Altfest, L, 2006. *Personal Financial Planning*, First ed., McGraw-Hill/Irwin.

2. Avery, M, Zhu, M, Cai, M., 2009. *China's Emerging Financial Markets: Challenges and Global Impact (Wiley Finance)*, Wiley.
3. Bachrach, B, 2000. *Values-Based Financial Planning: The Art of Creating and Inspiring Financial Strategy*, 1st ed., Aim High Pub.
4. Barnes, A, 2010. *A New Framework for IT Investment Decisions*, Harriman House.
5. Benz, C, 2007. *Morningstar Guide to Mutual Funds: Five-Star Strategies for Success*, 2 ed., Wiley.
6. Cornelius, P, 2011. *International Investments in Private Equity: Asset Allocation, Markets, and Industry Structure*, 1 ed., Academic Press.

0201139: INSURANCE AND RISK MANAGEMENT

Full Marks: 100

Risk Management

Marks: 25

Introduction; Types of Risks; Risk Management: Aim; Principles of Risk Management; Risk Management Perils: Risk Management of Life Perils; Risk Management Process; Risk Management - Construction Style

Risk Assessment, Analysis and Evaluation

Marks: 25

Introduction; Risk Assessment: Risk Identification and Categorisation, Risk Description, Risk Estimation; Risk Analysis: Risk Identification and Analysis Methods, Risk Profile; Risk Evaluation; Risk Reporting and Communication: Internal Reporting, External Reporting; Risk Management: Statistical Methods: PML

Hazard Management

Marks: 20

Introduction; Hazard Management: Types of Hazards

Risk Management Aspects

Marks: 30

Introduction; Aspects of Risk Management: Estate Management, Disaster Management, Financial Risk Management, Process Industry, Insurance, Society and Foresight, Environment and Health; Laws and Acts: Factory Act, The Workmen's' Compensation Act, Bio-Hazards, Standard Fire Policy, Insurance Regulating Development Authority (IRDA) Policies and Measures; Role of Risk Managers: Strategies Adopted by Risk Managers, Techniques Adopted by Risk Managers; Risk Mitigation: Risk Contingency Planning

Reference Books:

1. David Vose, (2008). *Risk Analysis: A Quantitative Guide* [Hardcover]. Publisher: Wiley, 3rd ed, 752 pages.
2. Glenn Koller, (2005). *Risk Assessment and Decision Making in Business and Industry: A Practical Guide* [Hardcover]. Publisher: Chapman and Hall/CRC, 2nd ed, 352 pages.
3. John J. Hampton, (2009). *Fundamentals of Enterprise Risk Management: How Top Companies Assess Risk, Manage Exposure, and Seize Opportunity* [Hardcover]. Publisher: AMACOM. 308 pages.
4. John Pine, (2008). *Natural Hazards Analysis: Reducing the Impact of Disasters* [Hardcover]. Publisher: Auerbach Publications, 1st ed. 304 pages.
5. Michel Crouhy, Dan Galai, Robert Mark, (2005). *The Essentials of Risk Management* [Hardcover]. Publisher: McGraw-Hill; 1st ed, 416 pages.