

MBAE341 - INDIAN FINANCIAL SYSTEM

Course Objective

Total Hrs - 60

Financial system of a country is closely related to the economic development. There is drastic change in the functioning of financial system in this era of liberalization, privatization and globalisation. The purpose of including Indian Financial system as a subject is to give a clear understanding and knowledge of Financial system in the present scenario.

MODULE – 1

(8 hours)

Overview of Financial System

Introduction & Meaning of Financial System, Structure of Indian Financial System Objectives and Functions of Financial System, Financial System and Economic development. , Financial sector reforms in India.

Module – 2

(12 Hours)

Money Market

Meaning, Participants in Money Market, composition of money market - Call money market, Operations in call money market – Transactions and participants - advantages Drawback - Commercial bills market - Definition, types, operations in Bill market - Discount market –acceptance market – importance of Bill market and drawbacks, Treasury bills market – types operation and Participants – importance. Money market instruments - Certificate of Deposit, Commercial Paper, inter bank participation certificate repo instrument. Reforms and Development in the Money Market

Module – 3

(10 Hours)

Financial and Regulatory Institutions

Reserve Bank of India, Functions of RBI, Monetary Policy and Credit control. Commercial Banks, Regional Rural Banks, Co-operative Banking sector, Indigenous Banks. Development Banks, NBFC, Insurance companies - IRDA

Module – 4

(14 Hours)

Capital Market

Structure of Indian Capital Market, Functions of Capital Market, Government security Market, Industrial security Market, Long-term loans and Financial guarantee Market Derivatives Market, Depository system Reforms in the capital market during post liberalization period, Stock Exchanges – role and functions, Securities and Exchange Board of India. Mutual funds – Meaning, Types, Operations and organization of Fund.

Module – 6

(8 Hours)

Financial Instruments

Features of Financial Instruments, Types of Financial Instruments, Offshore Financing Instruments ADR, GDR, FCCB.

Module – 7

(8 Hours)

Foreign Exchange Market – International Dimensions of financial market – Meaning and Definition of Foreign Exchange – Foreign Exchange market – Functions –importance – Rate of Exchange – Kinds of Exchange Rates – Determination of Exchange rate – purchasing power parity theory – Balance of payment theory.

Books for Reference:

- 1) Vasant Desai, Indian Financial System and Development, Himalaya Publishing House.
- 2) Bharathi Patak, Indian Financial System,
- 3) Gordan and Natarajan, Indian Financial System, Himalaya Publishing House.
- 4) M.Y.Khan, Indian Financial System, ,Tata Mc Graw Hill

**MBAE342
DIRECT TAXES**

Course Objective

Total hrs - 60

To enable the students to have a better knowledge about computation of net wealth and taxable income under various heads, and also tax liabilities and other legal obligations as per the Income Tax Act.

MODULE: I

4 hours

Introduction To Taxation-Direct And Indirect Tax, Income Tax Act 1961, Income Tax Rules 1962, Finance Act, Scheme of IT An Over-View Basic Concepts- Assessee, Person, Assessment Year, Previous Year, Agricultural Income, Income, GTI, Total Income, Average Rate Of Tax *Capital And Revenue*.

MODULE: II

5 hours

Residential Status And Incidence Of Tax, Determination of residential status, Kinds of income, incidence of tax, **Tax free income**

MODULE : III

10 hours

Income from Salary: Chargeability, Various Allowances, Perquisites, And Their Valuation, Treatment of Provident Fund, profit the Lieu of salary, Deductions From Gross Salary, Retirement Benefits (Practical Problems).

MODULE: IV

6 hours

Income from house property:

Chargeability, annual value and its determination, deductions from annual value, (practical problems)

MODULE: V

6 hours

Profits and Gains of Business and Profession: Meaning Of Business and Profession, Incomes Chargeable Computation Of Taxable Income, Treatment fringe benefit tax, Deemed Profit And Incomes Treatment Of Depreciation.

MODULE: VI

6 hours

Capital Gains:

Meaning of important terms, Computation of capital gains exemptions from LTGC.

MODULE: VII**6 hours**

Income from Other Sources: Incomes taxable, deductions allowed, Grossing up of income, computation of taxable income **Clubbing of income & set off and carry forward**

MODULE: VIII**5 hours**

Deductions from gross total income

Assessment of individuals: Computation of total income and tax liability.

MODULE: IX**2 hours**

Income tax authorities and their powers,

Collection and Recovery of Tax – Advance payment of tax, TDS

MODULE: X**4 hrs**

Filing return of income

Statutory obligation to file return of income, PAN

Return forms

Time of filing return of income

Late submission of return

Revised return

MODULE: X

Wealth tax Act, 1957

6 hours**BOOKS RECOMMENDED**

1. Direct Tax Law And Practice By Dr. Bhagawathy Prasad New Age Publications
2. Direct Tax Law And Practice By Dr. H.P Mehrotra Sahitya Bhavan Publications
3. Students Guide To Income Tax By Dr. Vinod .K. Singhani Tax Man Publications
4. Income Tax Law And Practice By Gaur And Narang Kalyani Publications
5. Direct taxes by BB Lal Pearson Publication Delhi

MBAE343 - STRATEGIC FINANCIAL MANAGEMENT

Course Objective:

To expose the students to the concepts of Strategic Financing management, enabling them to be competent enough to face the changes in the corporate world.

Total Hrs - 60

MODULE – I

Financial Policy and Strategic Planning.

8hrs

Components of financial strategy; Objectives and goals; Strategic planning process. Agency Theory, Goal Congruence & Survival Strategies.

MODULE – II

12hrs

Investments Decisions under Risk and Uncertainty.

Techniques of investment decision- risk adjusted discount rate, certainty equivalent factor, statistical method, sensitivity analysis and simulation method; Corporate strategy and high technology investments.

MODULE – III

10hrs

Expansion and Financial Restructuring.

Mergers and amalgamations - corporate restructuring, reasons for merger, legal procedure for merger, benefits and cost of merger; Determination of swap ratios; Evaluation of merger proposal; Corporate and distress restructuring.

MODULE – IV

15hrs

Value based Management

Rationale of Enterprise Valuation; Approaches to value Determination; Assets approach to valuation; Market value approach; capitalized earnings approach; valuation of Different kinds of Financial securities; valuation of Bonds, preferred stock and common stock.

MODULE – IV

5hrs

Value chain analysis, Activity Based Costing, Target costing, Quality costing.

MODULE – V

10 hrs

Financing strategy: Hybrid securities namely convertible and non-convertible debentures, deep discount bonds, secured premium notes, convertible preference shares; Option financing, warrants, convertibles and exchangeable.

Books For References:

1. Allen D: An Introduction to strategic Financial Management, CIMA/Kogan Page, London.
2. Chandra, Prasanna: Financial Management, Tata McGraw Hill, Delhi.
3. Copeland, T., T Koller and J Murrin: Valuation: Measuring and Managing the value of Companies, John Wiley, International Edition, New York.
4. Copeland, T.E. and J.F Weston: Financial Theory and Corporate Policy, Addison-Wesley, New York..
5. Hampton, Jone: Financial Decision Making, PHI, New Delhi.

Referred Book for the Subject

Pandey I.M Financial Management, Vikas Publishing House, IX edition.

MBAE344
PROJECT FINANCING AND MANAGEMENT

Course Objective:

To expose the students to the concepts of Project Financing and management, Thus making them capable enough to take managerial decisions in the future.

Total Hrs – 60

MODULE I

10 hrs

Project formation & Implementation

Concept – Role of Economic Development – Stages of Development of an economy – Types of Projects – Implementation stages of the project Life Cycle.

MODULE II

15 hrs

Commercial Viability & Financial Feasibility appraisal

Market, Market analysis & Demand forecasting – Cost of production & Profitability – Debt service Coverage & Repayment Program – Break even analysis. Financial Feasibility - Capital Cost of project – Plant & Machinery – Technical know How – Miscellaneous Fixed Assets – Leverage ratios – Concept of Cost of Capital & its uses in Capital structuring.

MODULE III

10 hrs

Technical Feasibility & Economic and Social Cost Benefit Analysis:

Concept – General perspectives in Technical Feasibility – Basic level Queries – The Appraisal Points. Economic analysis – Economic Appraisal – SCBA & UNIDO Guidelines – Measurement of the Impact on Distribution .

MODULE IV

10 hrs

Project scheduling & Monitoring:

Planning, Implementation and Control: Network Analysis, Techniques, PERT, CPM - Crashing of Project Network - Resource Levelling and Resource Allocation, Line of Balance.

MODULE V

10 hrs

Project Risks, Risk Management & Credit Rating

Concept – Risk assessment Techniques – Project cost risk analysis using crystal ball software – Estimating Time & Cost Overrun risks – Reasons for Project Cost Overruns – Lenders Perspective.

Books for References:-

1. Gopalakrishnan And Rama Moorthy, V.E., Project Management, Mac Millan India Ltd.', New Delhi.
2. Goelb.B., Project Management-Principles & Techniques, Deep And Deep Publciations, New Delhi.
3. Trimtoo Series On Project Management.

Recommended Book

Prasanna Chandra, Projects: Planning, Analysis, Selection, Implementation and Review, Tata Mcgraw Hill

MBAE345
MANAGEMENT ACCOUNTING

Course objective

Is to impart knowledge of financial statements and their analysis and interpretations. To emphasize on application of theoretical knowledge and help managers in decision making. To familiarize the students with managerial financial decisions which are taking place in organizations. To appreciate the importance of financial information for decision making process.

Total Hrs - 60

MODULE: I

Introduction

(7 hours)

Management Accounting- Importance and scope. Differences between Financial Accounting, Cost Accounting and Management Accounting, the Changing and emerging role of management accounting.

MODULE: II

Financial Statement – Analysis And Its Interpretation

(10 hours)

Meaning and nature of financial statements-Significance of financial statements-Types of financial statements-Limitations of financial statements-Steps involved in financial statement analysis-Tools of financial analysis-practical problems

MODULE: III

Accounting Ratios And Its Analysis

(10 hours)

-Objectives of ratio analysis-Classification of ratios-Liquidity ratios-Profitability ratios Solvency and capital structure ratios-Turnover ratios-Practical problems

MODULE: IV

Funds Flow Statement

(12 hours)

-Objectives of funds flow statement-Purpose of funds flow statement-Uses of funds flow statement-preparation of funds flow statement-Sources and Application of fund

-Schedule of changes in working capital-Funds flow statement and Income statement-Funds flow statement and Balance sheet-Funds from operations
-Treatment of provision for taxation and proposed dividend, interim dividend etc
Advantages of funds flow statement-problems and solutions

MODULE: V

Cash Flow Statement

(10 hours)

-Meaning of cash flow statement-Distinction between funds flow and cash flow statement-Classification of cash flow-Preparation of cash flow statement-Calculation of cash from operation -Utility of cash flow statement-Limitations of cash flow statement-Practical problems

MODULE: VI

Budgetary Control

(8 hours)

-Meaning of budget and budgetary control-Objectives and advantages of budgetary control-Limitations of Budgetary control-Functional budgets-Master budgets-Fixed and Flexible budgets-Budget Reports-Zero based budgets-Performance budgets -Practical problems

MODULE: VII

Management Reporting

(4 hours)

-Meaning of Management Reports-Essentials of effective reporting-Reports to different levels of management-Forms of reporting-Kinds of reports-Specimen form of a Management report-Review of reports-practical problems

MODULE: VIII

Management Audit

(4 hours)

-Definition of Management Audit-Objectives of Management Audit-Scope of Management Audit -Areas of Management Audit

BOOKS FOR REFERENCE:

1. Khan & Jain, Management Accounting, Mc. Graw Hill
2. I.M Pandey, Management Accounting, Vikas Publishers
3. Horngren, Sundem, Stratton, Introduction to Management Accounting, Pearson Education
4. S.N. Maheshwari, Management Accounting, Sulthan Chand & Sons
5. M.N. Arora, Management Accounting, Himalaya Publishers.

