

**MBAE 441**  
**SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

**Course Objective**

To provide insight about the relationship of the risk and return and how risk should be measured to bring about a return according to the expectations of the investors and Portfolio management practices in India. Also to familiarize the students with the fundamental and technical analysis of the diverse investment avenues

**Total Hours: 60**

**MODULE- 1:**

**8 Hrs**

Basics of investment – Scope - Economic meaning and significance of income, savings, investments, security, speculation, and gambling Comparison between investment and speculation - Profile of Indian investors and factors influencing investment decisions – Internal and external factors, Legal framework of securities market in India, investors and stock exchanges, and its significance in Indian financial system.

**MODULE - 2**

**10 Hrs**

Investment Options and Attributes: Characteristics features of financial instruments, Types of financial assets and instruments, Various investments - Company Shares, Debentures, Bonds, Mutual funds, fixed deposits, gilt- edged securities, Futures and Options, post office schemes, company and public provident funds, unit trust of India, LIC, Real Estate, bullion, insurance schemes and Global securities - Risk, Return, Security, Maturity, and optional features. Finance vs. investments- interactive decision elements.

**MODULE – 3**

**10 Hrs**

Security Markets: Features of capital markets and functioning, New issues market - IPO's, procedures - valuation of issues - fundamental and technical considerations -Stock exchanges - role and importance, trading procedures in securities, - brokers and Jobbers, Index's - Role of SEBI in brief.

**MODULE - 4**

**12 Hrs**

Security Analysis: Risk perception and attitude. Systematic and Non-Systematic risks. Fundamental analysis – Company, Industry and Economic analysis - Technical analysis of securities – Charts, and Graphs - Moving averages - Types – implications on investment.

**MODULE - 5:**

**12 Hrs**

Security pricing: Security Valuation - Factors influence valuation - Valuation of fixed income instruments and equities - calculation of return on yield, Intrinsic value, Mathematics of financial evaluation, discounting, compounding, annuities, present value, and yield and calculations Net worth. Equity valuation - Constant Growth Modal - Dividend capitalization - Earnings capitalization, security pricing model

**MODULE - 6:**

**8**

**Hrs**

Portfolio management; Meaning, Return on portfolio, risk on portfolio, portfolio managers, SEBI guidelines for portfolio managers, portfolio management services. Portfolio theory - contribution of William Sharpe and Harry Markowitz,- Single

index model, capital asset pricing modal and arbitrage pricing theory

**BOOKS FOR REFERENCE:**

1. Fisher & Jordan, "Investment Management."
2. Avadhani, Security Analysis and Portfolio Management. VII edition
3. Shalla, Security Analysis and portfolio management.
4. Puneethavathi & Pandian, Security Analysis and Portfolio Management.
5. Prasanna Chandra, Managing Investments.

**MBAE 442**  
**INTERNATIONAL BUSINESS FINANCE**

**Course objective**

The objective is to blend sound theoretical knowledge of foreign exchange economics with practical and procedural aspects of banks and other institutions connected with foreign exchange. It also provides understanding of risk management by banks as well as exporters and importers.

**Total hrs - 60**

**MODULE 1**

**Changing Global Financial Environment**

**12hrs**

Evolution of the International Monetary system, Bimetallism, Classical Gold standard, Interwar period, Bretton woods system, Flexible Exchange rate regime. The current exchange rate agreements, European monetary system, Mexican peso crisis, Fixed Versus Flexible Exchange rate regime

**MODULE 2**

**Balance Of Payments**

**8hrs**

Concept of Balance of payments, Concept and Principles behind compilation of BoP account, Components of BoP and factors affecting them, Importance and Limitations of BoP statistics, Relationship of BoP with other Economic Variables

**MODULE 3**

**Foreign Exchange Markets**

**12hrs**

The structure of the FOREX markets, Functions of Foreign exchange markets, The foreign exchange rates, Arbitrage, The spot market, Cross rates of exchange, Bid-ask spreads, The forward market, The regulations. Derivatives, Foreign currency futures, Foreign currency options.

**MODULE 4**

**Exchange Rate Determination**

**8hrs**

Interest rate parity, Purchasing power parity, The Fisher effects, Forecasting exchange rates – Efficient market approach, Fundamental approach, Technical approach, Performance of forecasters

**MODULE 5**

**Euro Currency Markets**

**12hrs**

Introduction to Euro markets, Euro currency instruments, Determinants of Euro currency rates, Growth of Euro dollar markets, International bond markets, External commercial borrowings, Euro debts, foreign currency convertible bonds, Advantages of Euro bonds, Performance of Indian Euro issues

**MODULE 6**

**Managing Foreign Exchange Exposure**

**10hrs**

Management of foreign exchange risk, Management of translation Exposure, Management of transaction Exposure, Management of Economic Exposure

**Books for reference:**

1. Madhu Vij, International Financial Management, Excel Books, Second Edition
2. Eun and Resnick, Mc Graw Hill international editions
3. Allan C. Shapiro, Multinational Finance Management, Prentice Hall, New Delhi, 1995
4. Apte P.G, International financial Management, TMH, New Delhi,

**MBAE 443**  
**INDIRECT TAXES**

**Course objective**

The objective is to gain expert knowledge of the principles and practice of the indirect taxes in India Central Excise Act, 1944 and the related Rules, and Central Excise Tariff Act. 1985.

**Total Hrs – 60**

**MODULE: I**

**4 hrs**

Nature of Excise Duty, legislative history, coverage, levy and collection of excise duties, legal effects of Notifications, Tariff Advises, Trade Notices.

**MODULE:II**

**3 hrs**

Registration procedures –Maintenance of records, registers and filing of returns

**MODULE:III**

**3 hrs**

Provisions governing manufacture and removal of excisable goods – valuation under the excise rules.

**MODULE:IV**

**5 hrs**

Provisions relating to storage of excisable goods, time and manner of payment of duty and other matters relating to removal of goods.

**MODULE:V**

**6 hrs**

Classification of goods under the Central Excise Tariff Act with reference to Rules of Interpretation.

**MODULE: VI**

**10 hrs**

Assessment including provisional assessment, self removal procedure,. Payment of duty, and rate of duty, Record based control and production based control

**MODULE: VII**

**4hrs**

Remission of duty on goods used for special industrial purposes – procedure for exports, duty draw back – Provisions relating to CENVAT.

**MODULE: VIII**

**3hrs**

Departmental organizational set up, adjudication and appellate procedures – Offences and Penalties – exemption for small scale industries. Customs Act 1962 and Customs Tariff Act 1975.

**MODULE: IX**

**3hrs**

Principles governing levy of customs duty, types of duty including protective duty, safeguard duty, countervailing duty and anti dumping duty and exemption from customs duties.

**MODULE: X****4hrs**

Basic principles of classification of goods and valuation of goods- Customs authorities, appointment of customs ports, warehousing stations – provisions governing conveyance, importation and export of goods, special provisions regarding baggage, goods imported or exported by post, and stores.

**MODULE: XI****3hrs**

Detailed procedure in relation to transportation and warehousing – drawback of customs duties paid – Prohibition, search and seizure, adjudication, appellate remedies including prosecution in court of law and allied miscellaneous matters.

**MODULE: XII****4hrs**

Service Tax: Meaning, Applicability, Procedure for Registration and Maintenance of records and registers – Payment of Service tax – Liability – Submission of returns – Authorities.

**MODULE: XIII****3hrs**

central sales tax- meaning, applicability, registration, records to be maintained returns to be submitted, meaning of dealers, inter state turnover, definition of turnover, assessment, appeal, and VAT

**BOOKS RECOMMENDED**

1. In Direct Tax Law And Practice By Dr. Vinod .K. Singhania Tax Man Publications
2. Indirect tax loss : Prof. Vaidhishwaran

## **MBAE 444 - MERGERS ACQUISITIONS AND CORPORATE RESTRUCTURING**

### **Course Objectives**

To provide an in-depth understanding of corporate restructuring and insolvency. To enable the participants to develop corporate restructuring solutions under different industrial conditions. To familiarize the students with corporate restructuring processes taking place in the Indian industries

**Total Hours:**

**60**

### **Module 1: Corporate Restructuring – An Overview (6 Hours)**

Meaning of Corporate restructuring, reasons and various forms of corporate restructuring- Underlying Issues in restructuring -Growing need for corporate restructuring in recent times- Global scenario and national scenario.

### **Module 2: Mergers and Acquisitions and Takeovers (10 Hours)**

Meaning and concept; –merger waves- types of Mergers- Merger and Acquisition process - Trends of Mergers and Acquisitions in India – Accounting, Taxation and Financial aspects of Mergers and Acquisitions- AS:14 Accounting for Amalgamation – Amalgamation in the nature of Merger and Amalgamation in the nature of purchase Takeovers: types of takeovers; legal aspects - SEBI takeover Code; bail out takeovers and takeover of sick units; takeover defenses; cross border takeovers; Revival, Rehabilitation and Restructuring of Sick companies

### **Module 3**

#### **Funding of Mergers and Takeovers (6 Hours)**

Funding through various types of financial instruments including equity and preference shares, options and securities with differential rights, swaps, stock options; ECBs, LBOs, ESOPs, MBOs, Divestment of PSUs – Indian Scenario, Master Limited Partnerships.

### **Module 4**

#### **Corporate Demergers (8 Hours)**

Factors Involved in Divestment Decisions, Modes of Demergers-divestitures, spin-offs- Motives for divestitures, Divestiture and spin-off Process, equity carve-outs, split-ups and split-offs

### **Module 5**

#### **Corporate Control – Buyback of shares and Exchange offers (8 Hours)**

Nature of Cash repurchases, Dividend-like effects of Share Repurchases, Basic Stock Repurchase Model, Theories behind share Repurchases, Rationale behind Popularity of Buybacks and Indian Scenario. Procedure for buy-back of shares by listed and unlisted companies, Concept of Exchange Offers

## **Module 6**

### **Post Merger Re-organisation**

**(6 Hours)**

Factors in post merger reorganization: integration of businesses and operations, financial accounting, taxation, post merger valuation, human and cultural aspects; assessing accomplishment of post merger objectives; measuring post merger efficiency.

## **Module 7. Securitisation and Debt Recovery**

**(8 Hours)**

### **a.Securitisation Act :**

Overview of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; process; participants; Special Purpose Vehicle (SPV), Asset Reconstruction Companies (ARCs), Qualified Institutional Buyers (QIB)

### **b.Debt Recovery Act:**

Overview of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993; Tribunal, Procedure; compromises and arrangements with banks and creditors

## **Module 8. Winding up**

**(8 Hours)**

Concept; modes of winding up; administrative machinery for winding up

Winding up process and procedure; managing stakeholders and Parties in liquidation; conducting meetings of shareholders etc.; dealing with contracts; managing estate and liabilities to professionals/service providers such as valuers, security agencies, etc; best practices in performing liabilities; Role of liquidators and insolvency practitioners. Consequences of winding up; winding up of unregistered companies; dissolution, Introduction to Cross Border Insolvency

### **BOOKS FOR REFERENCE:**

- 1.L.M. Sharma, Amalgamation, Mergers, Takeovers, Acquisitions-Principles, Practices & regulatory Framework, Company Law Journal, New Delhi
- 2.J.C.Verma, Corporate mergers, Amalgamations and Takeovers;Bharat Publishing house, New Delhi
- 3.N.L.Bhatia,Takeover Games & SEBI takeover regulations; taxman allied services pvt.Ltd,New Delhi
- 4.AIMA publications,Corporate Restructuring, Strategies and implications, Excel Book
- 5.ICSI publication, Handbook on Mergers, Amalgamations and takeovers-Law and practice
- 6 Mergers and Acquisitions volume I, II, III and IV – ICFAI UNIVERSITY PRESS Investment Banking Series.



**MBAE 445**  
**COMMODITIES MARKET AND DERIVATIVES**

**Course Objective**

This course aims to familiarize the students with the functioning, settlement systems, the factors influencing the commodity markets, the global and the domestic scenario of commodity markets, its role in the economy and the risk management aspects relating commodity trading. To provide the students an understanding of the emerging areas of Risk Management and to equip the students with the tools and techniques needed to manage financial risk efficiently.

**Total Hours:60**  
**10 Hrs**

**MODULE- I:**

**Introduction to Derivatives**

Derivatives defined - Types of derivatives: - Financial derivatives - Commodity derivatives - Products, participants and functions – Exchange – traded versus OTC derivatives - Instruments available for trading - Types of instruments (future, options) Basics – Payoffs - Using commodity derivative Markets - Hedging – Speculation - Arbitrage

**MODULE- II:**

**Commodity Derivatives**

How they differ from financial derivatives – Warehousing - Quality of underlying assets Global commodities exchanges - Commodities exchanges in India (regional & national)- Commodities permitted for trading - Kabra Committee Report (Roadmap) – Commodity - specific issues - Cropping and growth patterns - Global and domestic demand- supply – dynamics - Price trends and factors that influence prices

**12 Hrs**

**MODULE- III:**

**Pricing commodity derivatives**

Investment assets versus consumption assets - The cost of carry model - Pricing futures contracts on investment commodities - Pricing futures contracts on consumption – commodities - The futures basis-Option valuation models-Black Scholes, Binomial theorem

**10 Hrs**

**MODULE- IV:**

**The NCDEX platform**

About NCDEX - Exchange membership - Rules, regulations, byelaws - Commodities to be traded on the NCDEX platform - Types of commodities - Bullion (silver & gold) - Agricultural commodities Trading on the NCDEX platform - Contract specifications - Trading system - Entities in the trading system – Trader – workstation - Order types and conditions - Exposure limits

**8 Hrs**

**MODULE- V:**

**Clearing, Settlement and Risk Management**

**12 Hrs**

Calendar and settlement schedule - Position determination - Settlement mechanism - Daily Mark to Market Settlement - Settlement price - Daily settlement price – Final - settlement price – Margining - Initial margin - Daily Mark to Market margin – Open - interest limits - Second Line of Defence - NSCCL SPAN@ - Final settlement - Cash settlement - Physical settlement(Warehousing) - Exception Handling - Funds Shortages - Delivery Shortages

**MODULE- VI:**

**6 Hrs**

**Regulatory Framework**

Rules governing Commodity Derivatives Exchanges - Rules governing Intermediaries - Investor Grievances, Arbitration Rules - Accounting and Taxation issues

**BOOKS FOR REFERENCE:**

1. Options, Futures And Other Derivatives by Hull, John C.; Prentice Hall Edition: Edition vi
2. Futures And Options Bse Book's Publication
3. Futures & Options - Introduction to Equity Derivatives R. Mahajan Visionbooks
4. Fisher & Jordan, "Investment Management."
5. Avadhani, Security Analysis and Portfolio Management. VII edition