

UNIVERSITY OF DELHI

Bachelor of Business Administration (Financial Investment Analysis)  
BBA (FIA)

(SEMESTER-I)  
based on

Undergraduate Curriculum Framework 2022 (UGCF)  
(Effective from Academic Year 2022-23)



University of Delhi

Semester –I

DSCs:-

Course Title	Nature of the Course	Total Credits	Components			Eligibility Criteria/ Prerequisite	Contents of the course and references may be seen at
			L	T	P		
Financing Accounting and Analysis	DSC-1	4	3	1	0	Class XII Pass	Annexure – I
Microeconomics	DSC-2	4	3	1	0	Class XII Pass	Annexure -II
Statistics for Business Decisions	DSC-3	4	3	1	0	Class XII Pass	Annexure -III

GEs:-

Course Title	Nature of the Course	Total Credits	Components			Eligibility Criteria/ Prerequisite	Contents of the course and references may be seen at
			L	T	P		
Fundamentals of Financial Management	GE1	4	3	1	0	Class XII Pass	Annexure – IV
Fundamentals of Stock Trading	GE3	4	3	1	0	Class XII Pass	Annexure -V
Essentials of Financial Investments	GE5	4	3	1	0	Class XII Pass	Annexure –VI
Emerging Banking and Financial Services	GE7	4	3	1	0	Class XII Pass	Annexure –VII
Economic Legislation	GE9	4	3	1	0	Class XII Pass	Annexure –VIII

## 10.3 DETAILED LIST OF COURSES

### Discipline Specific Core (DSC) Courses

Semester	S. No.	DSC Paper Title
I	1.	Financial Accounting & Analysis
	2.	Microeconomics
	3.	Statistics for Business Decisions
II	4.	Cost & Management Accounting
	5.	Macroeconomics
	6.	Quantitative Techniques
III	7.	Corporate Finance
	8.	Financial Markets & Institutions
	9.	Corporate Law
IV	10.	Basics of Econometrics
	11.	Investment Analysis & Portfolio Management
	12.	Income Tax Law & Practice
V	13.	Financial Derivatives
	14.	Corporate Restructuring
	15.	Business Environment and Policy
VI	16.	International Finance
	17.	Corporate Ethics
	18.	Financial Services
VII	19.	Behavioral Finance
VIII	20.	Fixed Income Securities

### Discipline Specific Elective (DSE) Courses

S. No.	Odd Semesters (Sem III/V/VII)	Even Semesters (Sem IV/VI/VIII)
1.	Project Appraisal and Financing	Strategic Corporate Finance
2.	Digital Finance	Corporate Analysis & Valuation
3.	Microfinance	Financial Econometrics
4.	Management of Financial Institutions	Marketing of Financial Services
5.	Insurance Management	Entrepreneurial Finance
6.	International Financial Architecture	Wealth Management
7.	Advance Derivatives	Environmental Finance
8.	Infrastructure Finance	Hedge Funds
9.	Earnings Management	Private Equity

### Generic Elective (GE) Courses

S. No.	Odd Semesters (Sem I/III/V/VII)	Even Semesters (Sem II/ IV/VI/VIII)
1.	Fundamentals of Financial Management	Financial Management of Family Business
2.	Fundamentals of Stock Trading	Fundamentals of Econometrics
3.	Essentials of Financial Investments	Personal Finance
4.	Emerging Banking and Financial Services	Working Capital Management
5.	Economic Legislation	

## **DETAILED SYLLABUS OF COURSES**

### **DISCIPLINE SPECIFIC CORE (DSC) COURSES**

#### **DSC 1: FINANCIAL ACCOUNTING & ANALYSIS**

**Course Objectives:** To familiarize students with the mechanics of preparation of Financial Statements; understanding Corporate Financial Statements in the light of IFRS or Indian Accounting Standards, their analysis and interpretation; understanding of beyond Balance Sheet indicators to project corporate performance; prediction of financial crisis of a business enterprise.

**Learning Outcomes:** Understand the process of recording and classifying business transactions and events, Creating and understanding Financial Statements of Sole Proprietor, viz., Profit & Loss Account, Balance Sheet. Understand the financial statements of company as per IFRS/Ind-AS. Analyse the Financial Statements from the perspective of different stakeholders using horizontal and vertical analysis tools; and learning to use beyond balance sheet indicators for analysing corporate performance. Understanding of financial distress or bankruptcy prediction, introduction to earnings management

#### **Course Contents:**

##### **Unit 1 (4 Weeks)**

Introduction to Financial Accounting. Basic Concepts and Conventions: Business Entity, Dual Aspect, Going Concern, Accounting Period, Money Measurement, Accrual, Disclosure, Materiality, Consistency, and Conservatism. The Accounting Equation. Understanding Assets, Liabilities, Revenues, and Expenses. Understanding Capital Expenditure, Revenue Expenditure, Deferred Revenue Expenditure, Capital Receipts, and Revenue Receipts. Nature of Accounts and Rules of Debit and Credit. Recording transactions in General Journal. Preparation of Ledger Accounts. Opening and Closing Entries. Preparation of Trial Balance.

##### **Unit 2 (4 Weeks)**

Preparation of Financial Statements: Preparing Trading Account, Profit & Loss Account and Balance Sheet for a Sole Proprietor. Format for preparing financial statements for IND-AS companies as per Division II, Schedule III, Companies Act, 2013. Understanding of Financial Statements of a Joint Stock Company as per new accounting standards: IND-AS (Balance sheet, Profit & Loss, Statement of Comprehensive Income, Cash Flow Statement); Understanding the contents of a Corporate Annual Report (Actual latest annual reports to be used).

##### **Unit 3 (3 Weeks)**

Global Accounting Standards/IFRS: Meaning & need for globalisation of accounting standards, Adoption versus Convergence, Need for convergence of Indian GAAP with IFRS; Benefits of achieving Convergence with IFRSs to different stakeholders in India. Salient features of Ind-AS/IFRS (Fair Value Accounting, Substance versus form, Time value of money). Introduction to Indian Accounting Standards (Ind-AS); Understanding IND-AS 1:

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Presentation of Financial Statements, IND-AS 7: Cash Flow Statement, IND-AS 109: Financial Instruments.

#### **Unit 4**

**(4 Weeks)**

Analysing Financial Statements: Objectives of Financial Statement Analysis; Sources of information; Standards of Comparison; Techniques of Financial Statement Analysis (Through a case study of real company) - Ratio analysis, Cash flow analysis, Net working capital analysis, Trend analysis. Use of ratios to predict financial crisis of a company by using Altman Z –score. Use of Beyond the Balance Sheet indicators of analysing financial position of a company. Introduction to Earnings Management.

**Essential Readings:** Latest editions of the following to be used:

1. Narayanaswamy R. Financial Accounting: A Managerial Perspective. PHI Learning Private Limited, Delhi.
2. Robert N. Anthony, David F. Hawkins, Kenneth A. Merchant. Accounting- Text and Cases. McGraw Hill Education (India) Private Limited, New Delhi.
3. Garg CA Kamal, and Sehrawat Neeraj Kumar. Beginner`s Guide to Ind-AS & IFRS. Bharat Law House Pvt. Ltd., New Delhi.
4. Maheshwari S.N., Maheshwari Suneel K., and Maheshwari Sharad K. An Introduction to Accountancy. Vikas Publishing House Private Limited, Noida.

**Additional Readings:** Latest editions of the following to be used:

1. Lal Jawahar. Corporate Financial Reporting: Theory, Practice & Cases. Taxmann Publications Private Limited.
2. Patricia M. Dechow, Richard G. Sloan and Amy P. Sweeney: Detecting Earning Management, the Accounting Review. 70, No. 2 (Apr., 1995), pp. 193-225.

#### **Teaching Learning Process:**

Class room lectures, Case study discussion, Numerical problem solving, Class presentation on the assigned topic by students - individually or in groups, Workshops and Tutorials.

#### **Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment of the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

#### **Key Words**

Generally Accepted Accounting Principles, Financial Statements, Financial Ratios, IFRS, Indian Accounting Standards.

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## **DSC 2: MICROECONOMICS**

**Course Objectives:** The purpose of this course is to apply micro economic concepts and techniques in evaluating business decisions taken by firms. The emphasis is on explaining how tools of standard price theory can be employed to formulate a decision problem, evaluate alternative courses of action and finally choose among alternatives.

**Learning Outcomes:**

- Explain the mechanics of supply and demand in allocating goods and services and resources.
- Understand the choices made by a rational consumer.
- Identify relationships between production and costs.
- Define key characteristics and consequences of different forms of markets.

**Course Contents:**

**Unit 1 (3 Weeks)**

Individual demand, market demand, individual supply, market supply, market equilibrium; Elasticities of demand and supply; Price elasticity of demand, income elasticity of demand, cross price elasticity of demand, elasticity of supply.

**Unit 2 (4 Weeks)**

Cardinal utility theory; ordinal utility theory: indifference curves, budget line, consumer choice, price effect, substitution effect, income effect for normal, inferior and Giffen goods.

**Unit 3 (4 Weeks)**

Optimizing behaviour in short run: product curves, law of diminishing marginal productivity, stages of production; optimizing behaviour in long run: isoquants, isocost line, optimal combination of resources; traditional theory of cost: short run and long run; modern theory of cost.

**Unit 4 (4 Weeks)**

Perfect competition: basic features, short run equilibrium of firm/industry, long run equilibrium of firm/industry, monopoly: basic features, short run equilibrium, long run equilibrium, comparison with perfect competition, welfare cost of monopoly; price discrimination; monopolistic competition: basic features, demand and cost, short run equilibrium, long run equilibrium, excess capacity; oligopoly kinked demand curve model, dominant price leadership model.

**Essential Readings:**

1. Dominick Salvatore (2009): Principles of Microeconomics (5th edition), Oxford University Press.
  2. Pindyck, Rubinfeld and Mehta (2009): Micro Economics (7<sup>th</sup> Edition), Pearson.
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**Additional Readings:**

Lipsey and Chrystal (2008): Economics (11th edition), Oxford University.

Please Note: Latest edition of the readings to be used.

**Teaching Learning Process:**

Lectures, problems and numerical, term paper, presentations, case studies

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment of the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

Equilibrium, Rationality, Utility Maximization, Profit Maximization, Market Form.

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### **DSC 3: STATISTICS FOR BUSINESS DECISIONS**

**Course Objectives:** To familiarize the students with various Statistical Data Analysis tools that can be used for effective decision making. Emphasis will be on the application of the concepts learnt to various financial and managerial situations.

**Learning outcomes:** After the end of the course, students should be able to

- Summarize data sets using Descriptive statistics.
- Analyze the relationship between two variables of various managerial situations.
- Geometrically Interpret Correlation and Regression.
- Develop managerial decision problems using Probability Density Functions and Cumulative Density Functions.

**Critical thinking and problem solving:** The course will help students understand the characteristics of Analytical thinking that rests on Statistical Methods and Data Analysis approaches.

#### **Course Contents:**

#### **Unit 1: Data and its Descriptive Analysis (3 Weeks)**

Quantitative and Qualitative Data, Attributes and variables, Scales of measurement: nominal, ordinal, interval and ratio, Measures of Central Value: Mean, Median, Mode, Measures of Dispersion: Absolute and Relative measures of dispersion – Range, Quartile Deviation, Mean Deviation, Standard Deviation, Moments, Skewness, Kurtosis. Visualization of Data: Histograms, Stem and Leaf Plots, Five Number Summary and Box Plots. Introduction to Big Data: Characteristics and Stages.

#### **Unit 2: Correlation and Regression Analysis (4 Weeks)**

Correlation Analysis: Meaning and significance. Correlation and Causation, Types of Correlation, Methods of studying Simple correlation – Scatter diagram, Karl Pearson's coefficient of correlation, Spearman's Rank correlation coefficient.

Regression Analysis: Meaning and significance, Regression vs. Correlation, Simple Regression model: Linear Regression, R-square and MSE in Regression, Geometric Interpretation of Regression.

#### **Unit 3: Random Variable Analysis (4 Weeks)**

Probability: Meaning and need, Conditional probability, Bayes' theorem, Random Variable- discrete and continuous. Probability Distribution: Meaning, characteristics (Expectation and variance) of Binomial, Poisson, Exponential and Normal distribution, z-score, Chebyshev and empirical rule, Central limit theorem.

#### **Unit 4: Introduction to Estimation and Hypothesis Testing (4 Weeks)**

Estimation: Point and Interval estimation of population mean, Confidence intervals for the parameters of a normal distribution (one sample only), Hypothesis Testing: Null and

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Alternate Hypothesis, One Tail and Two tail tests, Level of Significance, Type I and Type II error, Test of hypothesis concerning Mean: z-test & t-test.

**Essential Readings:**

1. Gupta, S.P., Statistical Methods, Sultan Chand & Sons.
2. Levine, D., Stephan, D., & Szabat, K., Statistics for Managers using MS Excel, Pearson India.
3. Miller, I., & Miller, M., John E. Freund's Mathematical Statistics with Applications, Pearson India.

**Suggested Readings:**

1. Keller, G., Statistics for Management and Economics, Cengage Learning, New Delhi.
2. Stine, R. and Foster, D., Statistics for Business (Decision making and Analysis). Pearson India.
3. Levin, R. and Rubin, D., Statistics for Management, Pearson India.
4. Evans, J., Business Analytics, Pearson India.

**Recommendation:**

The students are encouraged to solve real life case studies using Spreadsheet.

**Teaching Learning Process:**

Class room lectures, Case study discussion, Numerical problem solving, Class presentation on the assigned topic by students - individually or in groups, Workshops and Tutorials.

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment of the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

Descriptive Statistics, Inferential Statistics, Central Tendency, Measures of Dispersion, Correlation, Regression, Random Variable, Probability Distribution, Testing of Hypothesis.

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## **GENERIC ELECTIVE (GE) COURSES**

### **GE1: FUNDAMENTALS OF FINANCIAL MANAGEMENT**

**Course Objectives:** To provide an understanding of the essential elements of the financial environment in which the business firm operates. To acquaint students with the techniques of financial management and their applications for business decision making.

**Learning Outcome:** At the end of this course, students will be equipped with the basic concepts of financial management. Students would understand how to coordinate various decisions to maximise wealth of an organisation in today's financial environment. Students will be equipped to arrive at strategic corporate finance decisions with the required accuracy which will be aided by using various excel functions.

#### **Course Contents:**

##### **Unit 1 (3 Weeks)**

Nature of Financial Management: Finance and related disciplines; Scope of Financial Management; Functions of finance – Finance Decision, Investment Decision, Dividend Decision; Objectives of Financial Management; Organisation of finance function; Concept of Time Value of Money – present value, future value, annuity.

##### **Unit 2 (5 Weeks)**

Strategic Investment Decisions: Capital Budgeting -; Nature and meaning of capital budgeting; Principles and Process; Estimation of relevant cash flows and terminal value; Evaluation techniques– Payback period, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Net Terminal Value, Profitability Index Method.

Cost of Capital: Meaning and concept, Measurement of cost of capital – Cost of debt, Cost of Equity Share; Cost of Preference Share; Cost of Retained Earning; Computation of over-all cost of capital based on Historical and Market weights (WACC).

##### **Unit 3 (4 Weeks)**

Strategic Financing Decisions - Capital Structure, Theories and Value of the firm – Net Income approach, Net Operating Income approach, Traditional approach, Modigliani Miller (MM) model. Leverage analysis and EBIT-EPS Analysis: Concept of leverage, Types of leverage: Operating leverage, Financial leverage, Combined leverage; EBIT-EPS Analysis. Guidelines for capital structure planning, Link between capital structure and capital budgeting. Dividend Decisions: Factors determining dividend policy, Theories of dividend- Gordon model, Walter model, MM Hypothesis. Dividend policies in practice.

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## **Unit 4**

**(3 Weeks)**

Working Capital Management: Determination of Working Capital. Determining financing mix of working capital. Receivables Management – Objectives; Credit Policy, Cash Discount, Debtors Outstanding and Ageing Analysis; Costs – Collection Cost, Capital Cost, Default Cost, Delinquency Cost. Management of Cash (Theory only) – Need for Cash, Cash Management Techniques (Lock box, Concentration Banking). Inventory Management (Theory only) – ABC Analysis; Minimum Level; Maximum Level; Reorder Level; Safety Stock; EOQ (Basic Model).

### **Essential Readings:**

1. Berk and DeMarzo, 5th ed., Pearson - Prentice Hall.
2. Horne, James C V. and John M. Wachowicz, Jr. "Fundamentals of Financial Management. 13th ed; FT Prentice Hall, Pearson Education.
3. Pandey, I.M. Financial Management, Pearson.

### **Additional Readings:**

1. Khan, M.Y. & Jain, P.K. Financial Management Text Problem and Cases, Tata McGraw Hill Publishing Co. Ltd.
2. Brealey, R. R., Myers. S., Allen, F., & Mohanty, P.. Principles of Corporate Finance. New Delhi: Tata Mc-Graw Hill.

### **Teaching – Learning Process:**

The teaching-learning process for this paper would include classroom lectures and tutorials; Case study discussions; class presentations; Workshops.

### **Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

### **Key Words**

Finance, Capital Budgeting, Wealth Maximisation, Cost of Capital, Dividends, Leverage, Working Capital Management.

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### **GE 3: FUNDAMENTALS OF STOCK TRADING**

**Course Objectives:** To familiarize students with the essential concepts and skills needed to be able to appropriately choose securities and operate in Stock markets.

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

- Understand the fundamentals of investments and the investment environment.
- Able to compare and evaluate different investment opportunities.
- Comprehend the structure and composition of Indian Securities market.
- Learn the mechanism involved in online stock trading.
- Grasps the concepts associated with investing in Mutual funds.

#### **Course Contents**

##### **Unit 1: Basics of Investment & Investment Environment (3 Weeks)**

Fundamentals of Investment, Features of Investment, Investment Environment. Principles of sound Investment. The Investment Decision Process. Modes of Investment – Direct Investing and Indirect Investing, Approaches to Investing – Active Investing and Passive Investing. Risk Return Trade Off. Types of Securities – Equity Shares, Bonds and Debentures, and Government Securities. Alternative Investments (Briefly) – Mutual Funds, Derivatives, Unit Linked Insurance Policy (ULIP), Exchange-traded funds (ETFs), Collective Investment Schemes (CIS), Real Estate Investment Trusts (REITs). Criteria for Evaluation of Investment Alternatives.

##### **Unit 2: Indian Securities Market (4 Weeks)**

Securities Market – Capital Market and Money Market, Difference between Capital and Money Market, Primary and Secondary Market, Difference between Primary and Secondary Market. Over the Counter (OTC) and Exchange Traded market. Modes of offering Equity Shares – Initial Public Offering (IPO), Follow-on Public Offering (FPO), Difference between IPO and FPO, Difference between Offer for sale (OFS) and Public offer (IPO/FPO). Methods of IPO Pricing – Fixed Price Method and Book Building Method, The Book Building Process, Fixed Price method v/s Book building Method. Market Participants – Issuer of Securities, Investors, and Intermediaries. Role of Stock Exchange. Stock Exchanges in India. Securities (Stock) Indices – Broad Market Indices, Sectoral Indices and Thematic Indices.

##### **Unit 3: Online Security Trading (4 Weeks)**

Trading Mechanism on Exchanges, Trading and Settlement at NSE – National Securities Clearing Corporation Limited (NSCCL), Clearing Mechanism, Clearing & Settlement (Equities).

Online Trading – Introduction, Online Trading Mechanism. Online Real Time Price Quotations – Bid Price, Ask Price, Bid-Ask Spread, Tick Size, LTP, ATP. Circuit Breakers – Upper Circuit, Lower Circuit, NSE rules regarding Circuit Breaks. Price Bands, Rules regarding Price Bands on NSE. Electronic Order Book. Types of Orders – Market Order,

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Limit Order, Stop Loss Order, Stop Loss (Limit) Order, Stop Loss (Market) Order, After Market Order (AMO). Order Conditions – Price related conditions, Time related conditions, Quantity related conditions. Placing an Order, View/Modify/Cancel an Order.

#### **Unit 4: Investing in Mutual Funds**

**(4 Weeks)**

Concept of Mutual Funds, Mutual Funds are an Indirect Mode of Investment, Evolution of Mutual Funds in India, Structure of Mutual Funds (Sponsor, Board of Trustees, AMC and Custodian). Advantages of Investing in Mutual Funds, Limitations of Investing in Mutual Funds. Types of Mutual Fund Schemes – Open ended, Close ended, and Interval funds; Domestic Funds and Off-Shore funds; Growth funds, Income funds and Balanced funds; Equity Fund schemes, Debt fund schemes, Gilt Funds, Money Market Funds, Tax Saving or Equity Linked Savings Scheme (ELSS), Index schemes, Sectoral Funds, Ethical Funds, Load and No-Load Fund, Fund of Funds, Systematic Investment Plans (SIP), Systematic Withdrawal Plans (SWP), Systematic Transfer Plans (STP), and Exchange Traded Funds. Net Asset Value, Cost incurred and Return from Mutual funds, Types of Loads. Performance Evaluation of Mutual Funds. Factors affecting choice of Mutual funds. Mutual funds in India. CRISIL and their Rankings for mutual funds – Ranking Methodology and Usage of Mutual Fund Rankings.

#### **Essential Readings:**

1. Tripathi, Vanita and Panwar, Neeti: Investing in Stock Markets. Taxmann Publications.
2. Chandra, Prasanna: Investment Analysis and Portfolio Management. McGraw Hill Education.

#### **Additional Readings:**

1. Rustagi, R.P., Investment Management. Sultan Chand Publications.
2. Tripathi, Vanita: Security Analysis and Portfolio Management. Taxmann Publications.

#### **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.

#### **Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

#### **Key Words**

Investments, Indian Securities Market, Initial Public Offer (IPO), Online Security Trading, and Investing in Mutual Funds.

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## **GE5: ESSENTIALS OF FINANCIAL INVESTMENTS**

**Course Objectives:** To familiarize students with the essential concepts and fundamentals of financial investments. The course will enable them to understand and make informed choice about the various available financial investment alternatives.

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

- Understand the fundamentals of financial investments and the investment decision process.
- Able to compute various measures of risk and return, and understand their role for evaluating investments.
- Understand and carry out security analysis using different approaches.
- Learn basic approaches to valuation of securities and carry out portfolio analysis.

### **Course Contents**

#### **Unit 1: Investments – An Overview (3 Weeks)**

Concept of Investment, Financial Investment Vs. Real Investment, Investment Vs Speculation, Objectives or Features of Investment, Risk Return Trade Off, Investment Environment – Overview of Securities Market and Different Types of Financial Investment. Investment Decision Process, Direct Investing Vs Indirect Investing, Approaches to Investing – Active Vs Passive. Diversification, Hedging and Arbitrage.

#### **Unit 2: Risk – Return Analysis (4 Weeks)**

Concepts of Return and Risk, Types of Return - their Calculation & Utility: Absolute Return, Average Return, Expected Return, Portfolio Return, Holding Period Return, Effective Annualized Return, Risk-Adjusted Return. Causes (or Sources) and Types of Risk – Systematic and Unsystematic Risk, Components of Systematic and Unsystematic Risk, Calculation of Total, Systematic and Unsystematic Risk. Impact of Taxes and Inflation on Investment – Computation of Post Tax and Real Returns.

#### **Unit 3: Security Analysis (4 Weeks)**

Approaches to Security Analysis – Fundamental Analysis, Technical Analysis, and Efficient Market Hypothesis (EMH). Fundamental Analysis – EIC Framework, Economic Analysis, Industry Analysis, and Company Analysis. Technical Analysis – Basic Tenets of Technical Analysis, Tool of Technical Analysis – Charts, and Technical Indicators, Limitations of Technical Analysis. Difference between Fundamental Analysis and Technical Analysis. Efficient Market Theory (EMH) – Concept, Forms of Market Efficiency, Weak Form Hypothesis, Semi Strong Form, and Strong Form of Market Efficiency. Implications of EMH.

#### **Unit 4: Fundamentals of Valuation and Portfolio Analysis (4 Weeks)**

Valuation of Equity Shares – Peculiar features of Equity Shares, Dividend Discount Model, Earning Multiplier or Price-Earnings (P/E) Model, and Capital Asset Pricing Model (CAPM). Valuation of Fixed Income Securities – Bond Fundamentals, Types of Bonds, Bond Valuation. Portfolio Analysis – Portfolio Management Process, Portfolio Analysis – Markowitz Model, Portfolio Risk, Portfolio Return.

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**Essential Readings:**

1. Tripathi, Vanita: Security Analysis and Portfolio Management. Taxmann Publications.
2. Chandra, Prasanna: Investment Analysis and Portfolio Management. McGraw Hill Education.

**Additional Readings:**

1. Rustagi, R.P., Investment Management. Sultan Chand Publications.
2. Reilly, F. K. & Brown, K.C. Analysis of Investments and Management of Portfolios, Cengage India Pvt. Ltd.

**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.

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

Financial Investment, Risk and Return, Fundamental Analysis, Technical Analysis, Efficient Market Hypothesis, Portfolio Analysis, Valuation of Securities.

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## **GE7: EMERGING BANKING AND FINANCIAL SERVICES**

**Course Objective:** The objective of this paper is to familiarize students with banking reforms in the last decade, concept of neo banks, rising issue of non-performing asset and its impact on day-to-day functioning. They will learn about financial services such as Leasing, Hire Purchase, Credit Rating, Securitization and Venture Capital Financing.

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

- Understand the relevance of financial reforms introduced in Indian banking sector.
- Understand the rising problem of non-performing assets in Indian banking sector.
- Learn the importance of neo banks and M&A in Indian banking sector.
- Understand the various financial services available in India along with the latest innovations and technological integration in the field of finance.

### **Course Contents:**

#### **Unit 1 (4 Weeks)**

An overview of the Indian Banking system; Major Banking Reforms in the last decade: Payment banks, Monetary Policy Committee, MCLR Based Lending, Innovative Remittance Services; Issues in financial reforms and restructuring; Future agenda of reforms: Assessing Non- Performing Assets in Indian Banking, Previous methodologies for recovery, Impact of Gross NPAs on a bank's bottom line – burning need for bad banks, Functioning of Bad Banks, Government backing for bad banks - National Asset Reconstruction Company Ltd. (NARCL).

#### **Unit 2 (4 Weeks)**

Introduction to neobanks, Functions of neobanks, Operating Model of neobanks, Regulatory requirements for setting up and running neobanks, Emerging need for neobanks, neo banks vs traditional banks. Merger & Acquisition: Introduction, Benefits of mergers, Synergies accruing out of mergers, Regulatory mechanisms surrounding M&A in banking, Case-studies of recent banking mergers and related outcomes.

#### **Unit 3 (5 Weeks)**

Leasing and Hire Purchase: Concepts of leasing, types of leasing – financial & operating lease, direct lease and sales & lease back, advantages and limitations of leasing, Lease rental determination; Finance lease evaluation problems Lessee's angle (PV and IRR methods) and Lessor's perspective, Hire Purchase interest & Instalment, difference between Hire Purchase & Leasing, Choice criteria between Leasing and Hire Purchase, mathematics of HP.

#### **Unit 4 (3 Weeks)**

Venture Capital: Concept, history and evolution of VC, the venture investment process, various steps in venture financing, incubation financing. Credit Ratings: Introduction, types of credit rating, advantages and disadvantages of credit ratings, Credit rating agencies and their methodology, International credit rating practices. Securitization: Concept and Process, Credit Enhancement parties to a Securitization Transaction, Instruments of Securitization, Types of Securities, Securitization in India.

**Essential Readings:**

1. Pathak, B. Indian Financial System (4th ed). Pearson Publication.
2. Khan, M. Y. (2013). Financial services. New Delhi: McGraw Hill Education.
3. Machiraju, H. R. (2002). Indian financial system. New Delhi, Vikas Publication House.

**Additional Readings:**

1. Verma, J. C. (1996). Bharat's manual of merchant banking: Concept, practices and procedures with SEBI clarifications, guidelines, rules and regulations. New Delhi: Bharat Law House.
2. K. Sriram: Hand Book of Leasing, Hire Purchase & Factoring, ICFAI, Hyderabad.
3. Ennew. C. Trevor Watkins & Mike Wright: Marketing of Financial Services, Heinemann Professional.

**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.

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

Banking, Merger and Acquisition, Neo banks, NPA, Leasing, Hire Purchase, Credit Ratings, Securitization, Venture Capital.

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## **GE9: ECONOMIC LEGISLATION**

**Course Objective(s):** It focuses on laws related to competition in Indian business and trade environment. The course relies predominantly on Insolvency and bankruptcy code, money laundering and foreign exchange management laws.

**Learning Outcomes:**

- Recognise the economic issues in a legal problem and apply the economic way of thinking to analyse it.
- Assess the efficiency effects of legal rules and policies.
- Practice case analyses and evaluation of corporate conduct.

**Course Contents:**

**Unit 1: Competition Act and Fugitive Economic Offenders Act (5 Weeks)**

The Competition Act, 2002: Introduction, Prohibition of certain agreements, abuse of dominant position and regulation of combinations, Competition Commission of India, Duties, Powers and Functions of Commission, Penalties, Appellate Tribunal.

The Fugitive Economic Offenders Act: Scope and applicability of Act, Confiscation of property, Powers of Directors, Power of Survey, Search and Seizure, notice, procedure for hearing application, Declaration of Fugitive Economic Offender, Power to disallow civil claims, Management of properties confiscated under this Act, Rules of evidence, Appeals.

**Unit 2: The Insolvency and Bankruptcy Code (3 Weeks)**

The Insolvency and Bankruptcy Code, 2016: Introduction of Insolvency and bankruptcy code, Corporate Insolvency Resolution Process, Liquidation Process, Fast Track Insolvency Resolution for Corporate Persons, Voluntary Liquidation of Corporate Persons, Adjudicating Authority for Corporate Persons, Offences and Penalties, Insolvency resolution and bankruptcy for individuals and partnership firms, Regulation of Insolvency professionals, agencies and information utilities.

**Unit 3: The Prevention of Money Laundering Act (4 Weeks)**

The prevention of money laundering Act, 2002: Introduction and definitions, Punishment for the offence of Money Laundering, Attachment, Adjudication and Confiscation, Obligation of Banking Companies, Financial Institutions and Intermediaries, Summons, Searches And Seizures, Appellate Tribunal and Special Courts, Recovery of fine or penalty.

**Unit 4: The Foreign Exchange Management Act (3 Weeks)**

The Foreign Exchange Management Act, 1999: Introduction of FEMA, Difference between FERA and FEMA, Application and Commencement of FEMA, Regulation and Management of Foreign Exchange, Authorised Person, Contraventions and Penalties, Compounding of Offences, Adjudication and Appeal, Directorate of Enforcement.

**Essential Readings:**

1. Maheshwari & Maheshwari, Principle of Mercantile Law, National Publishing Trust.
  2. Aggarwal Rohini, Mercantile & Commercial Law, Taxmann
  3. Kucchal M. C., Mercantile Law, Vikas Publishing House (P) Ltd.
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4. Kapoor N. D., Elements of Mercantile Law, Sultan Chand,

**Teaching – Learning Process:**

Lecture, Discussion, Power Point Presentations. Course contents shall be discussed in the light of relevant case laws.

**Assessment**

Total Marks: 100

Internal Assessment: 25 Marks

End Semester University Exam: 75 Marks

The Internal Assessment for the course may include Class participation, Assignments, Class tests, Projects, Field Work, Presentations, amongst others as decided by the faculty.

**Key Words**

CCI, Prevention of Money Laundering, Insolvency and Bankruptcy Code, FEMA, Fugitive Economic Offenders Act.

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