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**Faculty of Applied Social Sciences & Humanities**

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

# SEMESTER-IV

# DISCIPLINE SPECIFIC CORE (DSC) COURSES

## DSC 10: BASICS OF 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 | | |
| Basics of Econometrics DSC-10 | 4 | 3 | 1 | 0 | Class XII | Basic knowledge of statistics |

**Course Objective:**

- The primary objective of econometrics is to apply statistical methods to economic data.
- To learn estimation and diagnostic testing of simple, multiple regression models, panel data models, and dummy variable regression with qualitative response regression models.
- Students will learn various econometric techniques such as regression analysis, panel data analysis, and instrumental variable estimation.
- They will also gain basic knowledge in using statistical software packages like Stata, R, or Python to perform econometric analysis.

**Learning Outcomes:**

After studying this course, the student will be able to:

- Understanding the fundamental concepts of econometrics:
- Understanding the assumptions and limitations of regression analysis:
- Understand basic econometrics and its assumptions and impact of violations of classical assumptions. They should be able to assess the violation of these assumptions and understand the implications for the validity of the results.
- Students should be able to interpret regression results accurately. They should also understand how to assess model fit, using measures like R-squared and adjusted R-squared.
- Understand models using dummy variable and qualitative response regression models.

**Unit 1: (12 hours)**

Introduction to Econometrics and an overview of its applications; Simple Regression with Classical Assumptions; Least Square Estimation and BLUE, Properties of estimators, Multiple

Regression Model and Hypothesis Testing Related to Parameters – Simple and Joint. Functional forms of regression models.

**Unit 2: (12 hours)**

Violations of Classical Assumptions: multicollinearity, heteroscedasticity, autocorrelation and model specification errors, their identification, their impact on parameters; tests related to parameters and impact on the reliability and the validity of inferences in case of violations of Assumptions; methods to take care of violations of assumptions.

**Unit 3: (9 hours)**

What is goodness of fit? Test/Statistics used for the goodness of fit. Understanding of R Square, Adjusted R Square, Standard Error of the model, AIC, BIC and SIC. Calculation and comparison of AIC, BIC, SIC. Explain the model selection process.

**Unit 4: (12 hours)**

Dummy variables: Intercept dummy variables, slope dummy variables, Interactive dummy variables, Use of Dummy Variables to model qualitative/Binary/Structural changes, Other Functional Forms, Qualitative Response Regression Models

Recommended Computer Package to be Used: Use of software like E Views, R and STATA solving real life problems and checking assumptions and taking care of assumptions violations and testing goodness of fit.

**Essential Readings:**

1. Dougherty, C. (n.d.). Introduction to Econometrics. Oxford University Press.
2. Gujarati, N. D. (n.d.). Basic Econometrics. New Delhi: McGraw Hill.
3. Gujarati, N. D. (n.d.). Econometrics by Examples. New Delhi: McGraw Hill.

**Additional Readings:**

1. Pindyck, R. S., & Rubinfeld, D. L. (n.d.). Econometric Models and Economic Forecasts. Singapore: McGraw Hill.
2. Ramanathan, R. (2002). Introductory Econometrics with Applications. Thomson South Western.

**Examination scheme and mode:**

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

# DSC 11: INVESTMENT ANALYSIS & PORTFOLIO 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 | | |
| Investment Analysis and Portfolio Management DSC-11 | 4 | 3 | 1 | 0 | Class XII | Financial Management and Statistics |

**Course Objectives**

- To provide a conceptual framework for analysis from an investor's perspective of maximizing return on investment
- To provide a sound theoretical base with examples and references related to the Indian financial system.
- To emphasize on understanding of the forces that influence the risk and return of financial assets and related models and theories.

**Learning Outcomes**

Upon completion of the course a learner shall be competent to:

- Understand the concepts of risk and return, bonds and their valuation, technical and fundamental analysis, asset pricing and risk return of portfolio.
- Understand the process of calculating risk and return, pricing of bonds along with duration, valuation of shares along with trading strategies and portfolio risk and return, pricing research reports and advice of financial firms and brokers.
- Evaluate the best measures of risk and return, bond prices and sensitivity based on other variables, share valuation models and techniques of arriving at portfolio risk and return.
- Analyse the outcomes of evaluation to choose the best return risk asset, change in bond price based on changes in interest rate etc., execute buy and sell transactions based on fundamentals and trends in the respective asset and compare the risk return ratios of various assets and portfolios so as to choose the optimal portfolio.
- Create trading and investment strategies for maximising returns in the financial markets and also create a portfolio of investments to achieve the best risk return trade-off.

**Course Contents:**

**Unit 1: Risk–Return Analysis, Bond Valuation & Fundamental Analysis (12 hours)**

Basics of risk and return: concept of returns, application of standard deviation, coefficient of variation, beta, alpha. Bonds: present value of a bond, yield to maturity, yield to call, yield to put, systematic risk, price risk, interest rate risk, default risk. Fundamental analysis: EIC framework; Economic analysis: Leading lagging & coincident macro-economic indicators, Expected direction of movement of stock prices with macroeconomic variables in the Indian context; Industry analysis: stages of life cycle, SWOT analysis, Company analysis.

**Unit 2: Share Valuation & Technical Analysis (12 hours)**
Share valuation: Dividend discount models – no growth, constant growth, and two stage growth model. Relative valuation models using P/E ratio, other ratios. Technical analysis: meaning, assumptions, difference between technical and fundamental analysis; Price indicators – Dow theory, advances and declines, new highs and lows, circuit filters. Volume indicators – Dow Theory, small investor volumes. Other indicators – institutional activity, Trends: resistance, support. Technical charts & patterns. Indicators: moving averages.

**Unit 3: Portfolio Analysis and Management (12 hours)**
Portfolio analysis: portfolio risk and return, Markowitz portfolio model: risk and return for 2 and 3 asset portfolios, concept of efficient frontier & optimum portfolio. Market Model: concept of beta, systematic and unsystematic risk. Investor risk and return preferences: Indifference curves and the efficient frontier, Traditional portfolio management for individuals: Objectives, constraints, time horizon, current wealth, tax considerations, liquidity requirements, and anticipated inflation. Asset allocation: Asset allocation pyramid, investor life cycle approach. Portfolio management services: Passive – Index funds, systematic investment plans. Active – market timing, style investing.

**Unit 4: Asset Pricing Models and Mutual Funds (9 hours)**
Capital asset pricing model (CAPM): Efficient frontier with a combination of risky and risk-free assets. Assumptions of single period classical CAPM model. Expected return, required return, overvalued and undervalued assets as per CAPM. Multiple factor models: Arbitrage Pricing Theory (APT), APT vs CAPM. Mutual Funds: Introduction, classification of mutual fund schemes by structure and objective, advantages and disadvantages of investing through mutual funds. Performance Evaluation of Managed Funds using Sharpe's, Treynor's and Jensen's measures.

**Essential/recommended Readings**

1. Reilly, F. K. & Brown, K.C. (2012) *Analysis of Investments and Management of Portfolios,* (12th edition), Cengage India Pvt. Ltd.
2. Singh, R (2017): *Security Analysis and Portfolio Management,* (2nd Edition). Excel Books.
3. Kane, A., Marcus, A., & Bodie, Z. (2014). *Investments Global Edition*. Pearson.

**Suggestive Readings**

1. Fischer, D.E. & Jordan, R.J. (2006) *Security Analysis & Portfolio Management,* (6th edition), Pearson Education.
2. Ranganathan, M., & Madhumathi, R. (2006). *Investment Analysis and Portfolio Management*. Pearson Education.

**Note:** Latest edition 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.

# DSC 12: INCOME TAX LAW & PRACTICE

**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 | | |
| Income Tax Law & Practice DSC-12 | 4 | 3 | 0 | 1 | Class XII | NA |

**Course Contents:**

**Unit 1: Basic Concepts (12 hours)**
Origin of Tax System in India; Taxation – Voluntary practice to involuntary system, Kautilya's philosophy of Taxation;

Income, person, assessee, assessment year, previous year, gross total income, total income. Residential status of individual person and its effect on tax incidence.

**Unit 2: Computation of Income (21 hours)**
Salaries, Income from house property, Profits and gains of business or profession (Only theory), Capital gain, Income from other sources.

**Unit 3: Clubbing, Setoff and Deductions (6 hours)**

Clubbing of income (Only theory), set-off and carry forward of losses (Only theory), Deductions under Chapter VI-A, rebates and reliefs,

**Unit 4: Total Income & Tax Liability (6 hours)**
Computation of total income and tax liability of individuals. E filing of income tax by individuals (Practical).

**Essential Readings:**

- Singhania V. and Singhania, M., *Students Guide to Income Tax*, Taxman Publications.
- Ahuja, G. and Gupta, R., *Systematic Approach to Income Tax*: Bharat Law House.
- Chandra, M. and Shukla, D.C., *Income Tax Law and Practice*: Pragati Publications.

**Examination scheme and mode:**

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

# 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 to:

- 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:**

1. Jakhotia, *Strategic Financial Management*, Vikas Publication.
2. 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 |

**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 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**

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

**Additional Readings:**

1. 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.
2. Sahlman, W. A. (1990). The structure and governance of venture-capital organizations. Journal of financial economics, 27(2), 473-521.

3. 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. Randall S. Billingsley, Lawrence J. Gitman, and Michael D. Joehnk (2017): *Personal Financial Planning*. Cengage Learning.
2. Susan M. Tillery, and Thomas N. Tillery: *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. *Financial Planning: A Ready Reckoner*. July 2017. Mc Graw Hill.

**Examination scheme and mode:**

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

# GENERIC ELECTIVE (GE) COURSES

## GE 2: FINANCIAL MANAGEMENT OF FAMILY BUSINESS

**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 Management of Family Business GE-2 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objectives:**

- To familiarize students with various financial and quantitative techniques of analysis required at different stages for management of family business.
- To acquaint the students with qualitative aspects related to starting a new venture and various options for financing.

**Learning Outcomes:**

On successful completion of his course, the learner will be able to:

- Understand the process of screening of ideas and carrying out appraisal of new venture
- Learn various quantitative methods for demand forecasting and financial projections
- Evaluate projects using capital budgeting techniques
- Evaluate risk for business projects and identify alternative sources of financing

**Course Contents**

**Unit 1: Capital Investments & Starting a Venture (9 hours)**

Capital investments importance and difficulties, types of capital investments, phases of capital budgeting, levels of decision making, facets of project analysis, key issues in major investment decisions. Generation of ideas, monitoring the environment, corporate appraisal, tools for identifying investment opportunities, scouting for project ideas, preliminary screening, project rating index, sources of positive net present value.

**Unit 2: Demand Forecasting & Financial Projections (12 hours)**

Methods of demand forecasting: qualitative methods – jury of executive and Delphi method. Time series projection methods: trend projection, exponential smoothing and moving average method. Causal methods: chain ratio, consumption level, end use, bass diffusion, leading indicator and econometric method. Uncertainties in demand forecasting, improving forecasts, coping with uncertainties.

Financial estimates and projections: cost of project, estimates of sales and production, cost of production, working capital requirement and its financing, profitability projections, projected cash flow statement, projected balance sheet and multi-year projections.

**Unit 3: Capital Budgeting & Project Selection (12 hours)**

Project appraisal: market appraisal, technical appraisal, financial appraisal, economic appraisal, and managerial appraisal. Project cash flows: components of cash flow, basic principles of cash flow estimation, cash flows for a replacement project. Biases in cash flow estimation: overestimation and underestimation of profitability. Time value of money: concept, present and future value of a single amount, present and future value of an annuity. Investment evaluation criteria: payback period, accounting rate of return, net present value, profitability index, internal rate of return (IRR), modified internal rate of return (MIRR). Assessment of various methods, investment evaluation in practice.

**Unit 4: Risk Analysis and Financing (12 hours)**

Risk Analysis: sources and measures of risk. methods of assessing risk: sensitivity analysis, scenario analysis, break-even analysis, simulation analysis, decision tree analysis. Managing risk. Project selection under risk – judgmental evaluation, payback period requirement, risk adjusted discount rate method, certainty equivalent method. Risk analysis in practice.

Financing: capital structure, choices of financing, internal accruals, equity capital, preference capital, debentures (or bonds), term loans, raising capital in international markets, venture capital, private equity, venture capital vs private equity. Credit rating and appraisal by financial institutions – what information they want and how they appraise.

**Essential Readings:**

1. Chandra, P, *Projects – Planning, Analysis, Selection, Financing, Implementation, and Review*. 2019 Edition. McGraw Hill Education.
2. Agrawal, R., & Mehra, Y. S. (2017). *Project Appraisal and Management*. Taxmann Publications.

**Essential Readings:**

1. Chandra, P. (2019). *Projects: planning, analysis, selection, financing, implementation, and review.* Mcgraw Hill Education (India) Private Limited.
2. Agarwal, R, & Mehra, Y. (2021). *Project Appraisal and Management*. Taxmann Publications.

**Additional Readings:**

1. Goodpasture, C. J (2004): *Quantitative Methods in Project Management*. J. Ross Publishing.
2. Chandra, P. (2019). *Financial management : theory and practice.* Tata Mcgraw-Hill Pub.

**Examination scheme and mode:**

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

# GE4: FUNDAMENTALS OF 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 | | |
| Fundamentals of Econometrics GE-4 | 4 | 3 | 1 | 0 | Class XII | Basics of statistics |

**Course Objectives:**

- Understanding the role of econometrics: Students should grasp the link between economic theory, data, and econometric methods.
- Understanding and addressing regression assumptions.
- Introduction to econometric modelling.
- Students would be introduced to use of statistical software packages like Stata, R, or Python to perform econometric analysis.

**Learning Outcomes:**

The course will help the student to:

- Students should be able to demonstrate a clear understanding of key concepts in econometrics, such as causality, heteroscedasticity, autocorrelation, and multicollinearity.
- Students should be able to assess the violation of these assumptions and understand the implications for the validity of the results.
- Students should be able to interpret regression results accurately. They should also understand how to assess model fit, using measures like R-squared and adjusted R-squared.
- Analysing and interpreting dummy variables and interaction terms: Students should be able to incorporate categorical variables, including binary variables (dummy variables) and interaction terms, into regression models.

**Unit 1** **(9 Hours)**

Introduction to Econometrics and an overview of its applications; Simple Regression with Classical Assumptions; Least Square Estimation and BLUE, Properties of estimators, Multiple Regression Model and Hypothesis Testing Related to Parameters – Simple and Joint. Functional forms of regression models.

**Unit 2** **(12 Hours)**

Violations of Classical Assumptions: multicollinearity, heteroscedasticity, autocorrelation, and model specification errors, their identification, their impact on parameters; tests related to parameters and impact on the reliability and the validity of inferences in case of violations of Assumptions; methods to take care of violations of assumptions.

**Unit 3** **(12 Hours)**

Understanding the impact of change in scale of variables on output. Understanding and calculation of information criteria for model selection: AIC, BIC, and HQC. Understanding and calculation of R Square and adjusted R Square. Understanding of outliers and their impact on the model's output.

**Unit 4** **(12 Hours)**

Dummy variables: Intercept dummy variables, slope dummy variables, Interactive dummy variables, Use of Dummy Variables to model qualitative/Binary/Structural changes, Other Functional Forms, Qualitative Response Regression Models.

*Recommendation Computer Package to be Used: Use of softwares like E-Views, R, and STATA to solve real-life problems and check assumptions, taking care of assumption violations, and test goodness of fit.*

**Essential Readings:**

1. Dougherty, C. (n.d.). *Introduction to Econometrics*. Oxford University Press.
2. Gujarati, N. D. (n.d.). *Basic Econometrics*. New Delhi: McGraw Hill.
3. Gujarati, N. D. (n.d.). *Econometrics by Examples*. New Delhi: McGraw Hill.

**Additional Reading**

1. Pindyck, R. S., & Rubinfeld, D. L. (n.d.). *Econometric Models and Economic Forecasts*. Singapore: McGraw Hill.
2. Ramanathan, R. (2002). *Introductory Econometrics with Applications*. Thomson South Western.

**Examination scheme and mode:**

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

# GE 6: PERSONAL 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 | | |
| Personal Finance GE-6 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objectives:**

- To equip students with the knowledge and practical understanding of important dimensions of managing one's personal finance.
- To understand and plan for their tax liabilities, investments, insurance coverage, and retirement.

**Learning Outcomes:**

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

- Understand the fundamentals of Personal Financial Planning
- Learn the basics of managing personal tax liabilities
- Learn the basic concepts and underlying principles for Retirement Planning.
- Ascertain and choose appropriate insurance policies for managing personal risks.
- Evaluate various asset classes on the basis of risk-return and personal investment goals
- Create, maintain and grow personal investment portfolio

**Course Contents**

**Unit 1: Basics of Personal Finance and Tax Planning (12 Hours)**

Understanding Personal Finance. Rewards of Sound Financial Planning. Personal Financial Planning Process. Personal Financial Planning Life Cycle. Making Plans to Achieve Your Financial Goals. Common Misconceptions about Financial Planning. Financial Planning as a career choice. The Financial Planning Environment. Personal 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: Investing in Real Estate and Retirement Planning** **(9 Hours)**

Investing in Real Estate – Some Basic Considerations. Modes of Real Estate Investment – Raw Land, Commercial Properties, Residential Properties, Real Estate Investment Trusts (REITs). Planning for Retirement – Role of Retirement Planning in Personal Financial Planning, Pitfalls to Sound Retirement Planning, Estimating Income Needs, Sources of Retirement Income.

**Essential Readings:**

1. Billingsley R., Gitman L., & Joehnk M. (2017). *Personal Financial Planning*. Cengage Learning.

2. Tillery S., & Thomas N. Tillery. (2017). *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 ed.).

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.

# GE 8: WORKING CAPITAL 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 | | |
| Working Capital Management GE-8 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

- To provide understanding of the concept and importance of sound working capital strategies of a firm.
- To have an understanding of the impact of working capital policies relating to Cash management, inventory and receivables management on firm's profitability.

**Learning Outcomes:**

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

- understand the concept and scope of working capital, assess and compute the working capital requirement, and evaluate the techniques for effective management of working capital.
- analyze the importance of cash management, evaluate the motives for holding cash and marketable securities, and apply the strategies and techniques of cash management.
- develop and apply effective receivables management policies to optimize credit policy, analyze creditworthiness, and minimize costs associated with managing accounts receivable.
- analyze and apply different techniques of inventory management, including EOQ, minimum order quantity, ABC analysis, and JIT, to minimize inventory costs while ensuring adequate stock levels.

**Course Contents:**

**Unit 1: Working Capital Management – Introduction (15 Hours)**

Concept and Scope of Working Capital, Types of working Capital, Determinants of working capital, Working Capital Cycle, Assessment and Computation of Working Capital Requirement, Profitability–Liquidity trade-off, Working Capital Policies. Brief about working capital financing.

**Unit 2: Management of Cash & Marketable Securities (12 Hours)**

Meaning of Cash, Motives for holding cash, objectives of cash management, factors determining cash needs, Cash Management: basic strategies, techniques, Lock Box system and concentration banking. Marketable Securities: Concept, types, reasons for holding marketable securities.

**Unit 3: Management of Receivables (9 Hours)**
Concept & cost of maintaining receivables, objectives of receivables management, factors affecting size of receivables, policies for managing accounts receivables, analysis for optimum credit policy including credit analysis, credit standards, credit period, credit terms, etc.

**Unit 4: Inventory Management (9 Hours)**
Inventory: Need for monitoring & control of inventories, objectives of inventory management, Benefits of holding inventory, risks and costs associated with inventories, Techniques of Inventory Management – EOQ, Minimum order quantity, ABC Analysis, JIT etc.

**Essential Readings:**

1. Bhattacharya, H. (2016). *Working Capital Management: Strategies and Techniques* (4th ed.). PHI.
2. Rustagi, R.P. (2021). *Working Capital Management* (Reprint ed.). Taxmann..
3. Bhalla, V.K. (2011). *Working Capital Management: Text And Cases.* (13th ed.). Anmol Publishing.
4. Periasamy, P. (2012). *Working Capital Management: Theory & Practice*. 2nd Edition. Himalaya Publishing House.

**Examination scheme and mode:**

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

# SEMESTER-V

**BBA (FIA)**

# DISCIPLINE SPECIFIC CORE (DSC) COURSES

## DSC 13: FINANCIAL DERIVATIVES

**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 Derivatives DSC-13 | 4 | 3 | 1 | 0 | Class XII | Basic understanding of financial market |

**Course Objectives:**

The course will help the learner to:

- Understand the basics of spot, forwards, and futures markets, including their history and participants, and learn about the different types of margins and valuation methods.
- Gain knowledge of currency markets and learn how to calculate bid and ask in cross-currency pairs, and how to hedge with futures and forwards.
- Develop an understanding of options trading strategies, including spreads and combinations, and learn how to calculate P/L in option trades.
- Learn about the factors that affect option prices and how to calculate upper and lower bounds of call and put options with and without dividends, as well as the put-call parity theorem.
- Study option valuation models such as the Binomial and Black-Scholes models for stocks and currencies with and without dividends.

**Learning Outcomes:**

The course will help the learner to:

- Analyze the different types of derivatives and their features, including margins, valuations, and convergence of spot and futures.

- Evaluate the currency market and the strategies involved in hedging using futures and forwards.
- Synthesize the knowledge of options and their trading strategies, including spreads and combinations.
- Apply the binomial and Black-Scholes models to value options with and without dividends.
- Understand the factors affecting option prices and the put-call parity theorem.

**Unit 1: Spot, Forwards and Futures** **(12 hours)**
Introduction of Spot Market. History of derivatives and origin of derivatives in India. Margins: VaR Margin, ELM, Maintenance margin, Delivery Margin, SPAN Margin. Convergence of Spot and Futures. Participants of Derivatives Markets. Valuation of Forwards and Futures. Contango and Backwardation. Hedging: Long security-sell futures, Speculation: With and Without derivative market, Arbitrage: Buy spot-sell futures & Sell Spot-Buy futures.

**Unit 2: Currency Market** **(12 hours)**
Currency futures: understand and valuation, Quotations- direct, indirect. Calculation of Bid & Ask in cross currency Pair. Hedging with futures: Concept of Basis & impact of change in basis on Payment/receivables. Hedging with Forwards: Early Delivery, Early Cancelation, Early Extension, Maturity Cancelation and Maturity Extension.
https://www.bseindia.com/downloads/Training/file/NISM-Series-I%20Currency%20Derivatives%20(new%20workbook%20effective%2021-Feb-2012).pdf

**Unit 3: Options and Trading Strategies** **(9 hours)**
Options: Type – Call and Put &American and European, Payoffs. Calculation of P/L in Option Trade. Factors affecting option Prices. Upper Bound and Lower Bound of Call and Put option with and without dividend. Put - call parity theorem. Spreads (Bull, Bear, Box, Butterfly and Calendar Spread), combinations (Straddle, Strangle, Strip, Straps).

**Unit 4: Option Valuation** **(12 hours)**
Binomial model: One Period, Two Period and multiple Period. Black-Scholes option model (For stock and currency both) with and without dividend.

**Essential Readings:**


- NISM. (2012). Currency Derivatives (New Workbook Effective 21-Feb-2012). BSE Institute Limited. https://www.bseindia.com/downloads/Training/file/NISM-Series-I%20Currency%20Derivatives%20(new%20workbook%20effective%2021-Feb-2012).pdf
- Hull, J. C. (2018). *Options, Futures, and Other Derivatives* (10th ed.). Pearson.
- Tuckman, B., & Serrat, A. (2011). *Fixed Income Securities: Tools for Today's Markets* (3rd ed.). John Wiley & Sons.

- McDonald, R. L. (2014). *Derivatives Markets* (3rd ed.). Pearson.

**Additional Readings:**

- Bhalla, V. K., & Singh, N. (2015). Currency derivatives: A beginner's module. National Stock Exchange of India Limited. https://www.nseindia.com/content/ncfm/ncfm_modules.htm
- Lipton, A. (2015). Mathematical methods for foreign exchange: A financial engineer's approach. World Scientific Publishing Co. Pte. Ltd

**Examination scheme and mode:**

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

# DSC 14: CORPORATE RESTRUCTURING

## 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 Restructuring DSC-14 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

To provide an understanding of the corporate restructuring, mergers and acquisitions with the basic methods of valuation in methods of payment and financing options at global level.

**Learning Outcomes:**

After studying this course, the student will be able to:

- Understand the concept and importance of corporate restructuring for growth.
- Recognise opportunities for creating value through Mergers and Acquisitions.
- Illustrate and apply leading methods used in the valuation of a firm for M&A analysis.
- Learn the legal and regulatory framework of Mergers and Acquisitions.

**Unit 1: Corporate Restructuring – An Overview (12 hours)**

Concept and importance of corporate restructuring, various forms of restructuring: joint ventures (types), Strategic alliance (types), Merger(types), Acquisition(types), Consolidation, Divestiture, Demerger (Spin-off, Split-up, Split-off), Equity carve-out, Management buyout, Leveraged buyout, Buyback of securities, ESOP.

**Unit 2: Merger & Acquisition (12 hours)**

Motives behind M&A, theories of M&A, process of M&A. Fast track merger. Cross border M&A – concept, benefits & difficulties. Due diligence process.Methods of payment and financing options in M&A.Takeover defence tactics. Reasons for failure of M&A.

**Unit 3: Deal Valuation and Evaluation (15 hours)**

Methods of valuation; cash flow approaches, economic value added (EVA) (with numerical), sensitivity analysis (with numerical), Valuation for slump sale, valuation of synergy (with numerical), cost-benefit analysis and swap ratio determination (with numerical).

**Unit 4: Legal and Regulatory Framework of M&A (6 hours)**

Provisions of Companies Act 2013, SEBI Takeover Code 2011, Provisions of Competition Act 2002.

**Essential Readings:**

1. Weston, F., Chung, K. S., & Siu, J. A. (n.d.). *Takeovers, Restructuring, and Corporate Governance*. Pearson Education.
2. Gupta, M. (2010). *Contemporary Issues in Mergers and Acquisitions*. Himalaya Publishing.
3. Sundarsanam (2006). *Creating Value from Mergers and Acquisitions* (1st ed.). Pearson Education.

**Additional Readings:**

1. Ramanujan, S. (1999). Mergers: The New Dimensions for Corporate Restructuring. McGraw Hill.
2. Narayankar, R. (2013). Merger and Acquisitions: Corporate Restructuring, Strategy, and Practices (2nd ed.). International Book House Pvt. Ltd.

**Examination scheme and mode:**

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

# DSC 15: BUSINESS ENVIRONMENT AND POLICY

**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 | | |
| Business Environment and Policy DSC-15 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

- To evolve a clear understanding of impact of various macroeconomic variables (both internal and external) on business.
- To discuss the various government policies and its impact on the business outcomes.
- To focus on the importance of economic environment and policy in decision making.

**Learning Outcomes:**

After studying the course the student will be able to

- Become aware and sensitive towards the overall Business environment within country and at global level. Students will be able to:
- Understand and critically evaluate the factors affecting business environment.
- Identify business opportunities both in the country and abroad.
- Understand Economic Survey and its implications for Indian Business Environment.
- Critically evaluate the government policies related to business environment.

**Unit 1 Introduction & Macroeconomic Indicators of Indian Economy:**

**Learning Outcomes:**

- Recall the key concepts and definitions related to business environment, macroeconomic indicators, and Sustainable Development Goals.
- Describe the types of business environment, interaction between internal and external environments, nature and structure of the economy.
- Analyze macroeconomic indicators and assess their impact on business operations.
- Evaluate the effectiveness of government policies in addressing economic challenges.
- Evaluate the impact of technology transfers on business operations.
- Develop strategies for businesses to operate in different types of business environments.

**(12 hours)**

**Content:**

**Introduction:** Concept, Significance and Nature of Business Environment, Types of environment, Interaction between Internal and External environments, Nature and Structure of Economy, Techniques for Environment Analysis, Approaches and Significance of Environment Forecasting. Social Responsibility of Business. Technological environment – nature of technology, interface between technology and business, Management of technology transfers. Availability of natural resources and demographic conditions in India.
**Macroeconomic Indicators of Indian Economy:** Inflation, interest rates, Yield on 91 days Treasury Bills and 10 years Government Securities, changes in exchange rates, Fiscal Deficit, Current account balance (deficit/Surplus) of India's Balance of Payments. India's achievements vis-a vis Sustainable Development Goals (SDG).

**Unit 2 Government Policies related to Businesses**
**Learning Outcomes:**

- Recall the key policies related to industrial development, trade, and finance.
- Describe the benefits of digitization and unification of payment systems.
- Apply the concept of ease of doing business to identify strategies to improve business environment in India.
- Analyze the impact of "Make in India" and "Atmanirbhar Bharat" policies on various sectors of the Indian economy.
- Evaluate the impact of digitization and unification of payment systems on the Indian economy.
- Develop strategies to address the challenges faced by businesses in doing business in India.

**Content:** **(12 hours)**
Industrial Policies; EXIM Policies; Monetary Transmission- Bank's credit to Non- Agriculture sectors; Digitization and Unification of Payment system – UPI; Ease of Doing Business – Concept, Parameters and their measurement, issues and challenges in 'Doing Business'; Disinvestment in Public Sector Units; Understanding of "Make in India" and "Atmanirbhar Bharat" and its impact on Indian Economy.

**Unit 3 Relationship between Business and Government**
**Learning Outcomes:**

- Recall the relationship between business and government.
- Understand recent changes in fiscal and monetary policies and their implications for businesses.
- Apply knowledge of government policies to identify opportunities and challenges for businesses.
- Analyze the impact of government policies on the Indian business environment.
- Evaluate the performance of the Indian economy based on the latest Economic Survey.
- Create proposals for new policies to improve the Indian business environment.

**(12 hours)**

**Content:**

Relationship between Business and Government; Union Budget as an instrument of growth and its Impact on Business; Recent Changes in Fiscal and Monetary Policies; Impact of Government Policies on Indian Business Environment; Analysis of latest Indian Economic Survey with respect to the performance Indicators and changes from the previous year.

**Unit 4 Global Business Environment**

**Learning Outcomes:**

- Understand foreign direct investment (FDI), foreign institutional investment (FII), and their impact on the global business environment
- Understand the role of WTO in regulating international trade and its implications for India.
- Apply knowledge of economic indicators to compare and contrast the performance of India and China.
- Analyze the relative performance of India as a member of BRICS and BIMSTEC.
- Evaluate the attractiveness of specific markets for FDI and FII.
- Develop strategies for attracting FDI and FII to specific markets.
- Create proposals for improving India's comparative performance with China on key economic indicators.

**Content:** **(9 hours)**

**Global Business Environment:** Foreign Direct Investment, Foreign Institutional Investment, WTO and India: an overview, Regulation of Foreign Trade; Relative performance of India as a member of BRICS and BIMSTEC; Comparative analysis of India Vs China on major economic indicators.

**Essential Reading:**

1. Latest Economic Survey of India
2. Latest Union Budget
3. Business Environment by A. C. Fernando, Pearson India, ISBN: 9788131731581.

**Examination scheme and mode:**

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

# DISCIPLINE SPECIFIC ELECTIVE (DSE) COURSES

## DSE 3: PROJECT APPRAISAL AND FINANCING

**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 | | |
| Project Appraisal and Financing DSE-3 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objectives:**

- To provide an understanding to the students about identification of a project, feasibility analysis, alternative project appraisal techniques, Project financing.

**Learning Outcomes:**

On successful completion of this course, the students will be able to:

- Apply various methods of project Appraisal.
- Use Capital Budgeting techniques for financial evaluation and selection of Projects.
- Understand the concept and application of Social Cost and Benefit Analysis.
- Carry out Risk Analysis for business projects and identify alternative sources of financing.
- Apply appraisal techniques for evaluating live projects.

**Course Contents**

**Unit 1: Introduction to Projects and their Appraisal (9 hours)**

Project Definition, Project Identification, Project Life Cycle, Project Stakeholder Analysis, Feasibility study. Types of Project Appraisal (Brief Overview): Market and Demand Analysis, Technical Appraisal, Financial Appraisal, Economic Appraisal, Managerial Appraisal, and Social Appraisal.

**Unit 2: Financial and Social Appraisal (15 hours)**

Project Cost and its components, Investment Evaluation Methods (Non-Discounting and Discounting Methods): Payback Period, Accounting Rate of Return, Discounted Payback Period, Net Present Value, Profitability Index, Internal Rate of Return (IRR), Modified Internal Rate of Return (MIRR). Suitability of Methods to different Projects, Investment Evaluation in Practice. Social Appraisal: Rationale for Social Cost Benefit Analysis, Approaches of SCBA (UNIDO and Little-Mirrlees Approach), Environment Impact Assessment (EIA) and Social Impact Assessment (SIA) of Projects. Relevant Case Studies.

**Unit 3: Project Risk Analysis** **(12 hours)**

Risk Analysis and Management: Sources and Measures of Risk. Methods of Assessing Risk – Sensitivity Analysis, Scenario Analysis, Break-Even Analysis, Simulation Analysis, Decision Tree Analysis, Project Selection under Risk – Judgmental Evaluation, Payback Period, Risk Adjusted Discount Rate Method, Certainty Equivalent Method, Strategies for Risk Management.

**Unit 4: Project Financing** **(9 hours)**

Capital Structure; Choices of Financing; Sources of Financing – Internal Accruals, Equity Capital, Preference Capital, Debentures (or Bonds), Term Loans, Venture Capital, Private Equity, Venture Capital Vs Private Equity, Loan Syndication, Consortium Financing, Public Private Partnership (PPP), Securitization, Crowd Funding; Raising Capital from International Markets: Foreign Issue, Foreign Direct Investment (FDI), External Commercial Borrowings (ECB).

**Essential Readings:**

1. Chandra, P: *Projects – Planning, Analysis, Selection, Financing, Implementation, and Review*. 2019 Edition. McGraw Hill Education.

2. Agrawal, R., & Mehra, Y. S. (2017). *Project Appraisal and Management*. Taxman Publications.

**Additional Readings:**

1. Goodpasture, C.J *Quantitative Methods in Project Management*. J. Ross Publishing.
2. Chandra, P, *Financial Management: Theory and Practice*, McGraw Hill Publishing.

**Examination scheme and mode:**

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

# DSE 5: DIGITAL 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 | | |
| Digital Finance DSE-5 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

- To get the students acquainted with the dramatic changes in the financial sector generated by the digital revolution.

**Learning Outcomes:**

After studying this course the student will get the:

- Understanding of the nature of digital revolution in finance.
- Knowledge of key digital technologies and products, and state reaction to the digital revolution.
- Knowledge of FinTech, big data analytics and new financial business models.

**Course Contents:**

**Unit 1: Digital Transformation of Finance** **(8 Hours)**

**Learning Outcomes:**

By the end of the unit, students will be able to:

- Recall the major milestones in the history of financial innovation.
- Understand the process of digitization in financial services and its impact on the industry.
- Apply the concepts of FinTech to assess their potential for transforming the financial industry.
- Analyze the different types of FinTech and their specific applications in the financial industry.
- Critically evaluate the impact of different types of FinTech on traditional financial services.
- Propose innovative ideas for further advancing the digitization of financial services.

**Content:**

A Brief History of Financial Innovation, Digitization of Financial Services, Introduction to FinTech & Funds, FinTech Transformation, FinTech Typology, Collaboration between Financial Institutions and Start-ups. Introduction to Regulation and future of RegTech.

Crowdfunding- Role of finance in economy, the role of financial intermediaries, Types and functioning of crowdfunding markets, Differences between traditional funding models and crowdfunding markets, Informational problems in the crowdfunding model.

**Unit 2: Payment Systems (12 Hours)**

**Learning Outcomes:**

By the end of the unit, students will be able to:

- Recall the process of digitalization in the payment system.
- Understand the attributes that contribute to a well-functioning payment system.
- Apply understanding of electronic payment systems to assess their suitability for different transaction types.
- Assess the risks and benefits associated with new entrants and payment models for the banking system.
- Evaluate the impact of the growth of digital payments in India on financial inclusion and economic development.
- Develop comprehensive guidelines and policies for digital payments that align with the evolving financial landscape and regulatory requirements.

**Content:**

Digitalization of the payment system. The historical evolution of the payment system., Attributes of a well-functioning payment system., Banks as guarantors of the payment system, new entrants, and new payment models: risks for the banking system. FinTech applications in Banking & Non-Banking Financial Companies (NBFCs); Insurance; payments; Lending; Audit; and Compliance. Electronic Clearing Service (ECS), Real Time Gross Settlement (RTGS), National Electronic Funds Transfer (NEFT), Immediate Payment Service (IMPS), Unified Payments Interface (UPI), Growth of Digital Payments in India, RBI guidelines on Digital Payments.

**Unit 3: Crypto Assets and Blockchains (20 Hours)**

**Learning Outcomes:**

By the end of the unit, students will be able to:

- Define crypto assets, cryptocurrencies, and blockchain.
- Summarize the future prospects of cryptocurrencies as a form of currency.
- Apply knowledge of Proptech to evaluate its applications in the real estate industry.
- Evaluate the regulatory debate surrounding cryptocurrencies and blockchain.
- Compare and contrast different blockchain systems and their functioning.
- Propose innovative use cases of Internet of Things (IoT) and Augmented/Virtual Reality (AR/VR) in the financial industry to enhance customer experience and efficiency.

**Content:**

Introduction: Crypto an asset for trade and Crypto-currency, Problems with issuers credibility, Fin Tech & Securities Trading; Cryptocurrencies and its future as currency, blockchain as a registration mechanism, Functioning of the block chain system. The integration of digital currency and blockchain and issuers incentive problems; Proptech: FinTech of Real Estate; Possible alternative uses of blockchain technology in the economy and difficulties in its implementation. Use of bitcoin in money laundering., The regulatory debate. Introduction of Central Bank Digital Currency (CBDC). Other Emerging Financial Technologies: Internet of things (IOT) & AR/VR applications.

**Unit 4: FinTech, Big Data Analytics, and new Financial Business Models (20 Hours)**

**Learning Outcomes:**

By the end of the unit, students will be able to:

- Recognize the characteristics and features of smart accounts and customized financial products.
- Comprehend the relationship between big data, machine learning, and improved financing decisions.
- Utilize big data and machine learning techniques to improve financing decisions.
- Analyze the risks associated with high-frequency trading and propose mitigation strategies.
- Critically evaluate the role of digital securities as a new systemic risk in the economy.
- Design innovative approaches to leverage big data and machine learning for financing decisions.

**Content:**

The use of data in traditional credit decisions, the combination of big data and machine learning to improve financing decisions., Smart accounts, customized financial products, risk management and fraud prevention., High frequency trading: opportunities and risks.

Digital security, Challenge of confidentiality, integrity and availability, Digital securities as a new systemic risk in the economy. Regulations on cybersecurity. Latest development in the field of Digital Finance.

**Essential Readings:**

1. Lynn, T., Mooney, J. G., Rosati, P., & Cummins, M. (2019). *Disrupting finance: FinTech and strategy in the 21st century*. Springer Nature.
2. Beaumont, P. H. (2019). *Digital Finance: Big Data, Start-ups, and the Future of Financial Services*. Routledge.

**Additional Readings:**

1. Phadke, S. (2020). *FinTech Future: The Digital DNA of Finance*. Sage Publications.
2. Maese, V. A., Avery, A. W., Naftalis, B. A., Wink, S. P., & Valdez, Y. D. (2016). *Cryptocurrency: A primer*. Banking LJ, 133, 468.

**Examination scheme and mode:**

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

# DSE 6: MICROFINANCE

**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 | | |
| Microfinance DSE-6 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective:** The course is aimed at evolving clear understanding of role of Microfinance and Insurance in addressing the problem of poverty and income generating activities to the poor people. The participants will be equipped with Microfinance concepts, functions, products and strategies that will help in pertinent policy making in their respective departments/organizations. Participants should concentrate more on the latest publications on various online sites and concerned reports.

**Learning Outcomes:**
Students after reading this course will become aware and sensitive towards the people at the bottom of the pyramid. They will be able to understand:

- Facts and figures regarding Poverty in India.
- The need and relevance of Microfinance.
- The role of Micro Finance Institutions for financial Inclusions.
- The Role of NGOs in implementing the Governments welfare policies.

**Course Contents**

**Unit 1: Introduction to Microfinance (9 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:

- Identify the emerging trends in microfinance.
- Understand the Human Development Index and the Hunger Index.
- Apply the knowledge of the Human Development Index and the Hunger Index to evaluate and compare countries.
- Critically evaluate India's position on the poverty index.
- Evaluate the strengths and weaknesses of different poverty indices.
- Propose strategies for improving India's position on the poverty index.

**Content:**
Background, evolution, and Overview; Emerging trends in Micro finance; Poverty: Sources and Consequences of Poverty, Understanding the construct of Poverty Indices - The Human Poverty Index (HPI) developed by UN and Global Multidimensional Poverty Index (MPI),

critical evaluation of India's position on the Poverty Index; Understanding of Human Development Index and Hunger Index.

**Unit 2: Microfinance Models** **(12 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:
- Identify and describe different models in microfinance.
- Understand the objectives and operations of the different models in microfinance.
- Apply the principles and practices of the models to design and implement microfinance initiatives.
- Analyze the strengths and weaknesses of the models and their impact on rural development.
- Evaluate the success and limitations of the various models in meeting the financial needs of micro-entrepreneurs and assess their scalability.
- Propose innovative microfinance initiatives based on the lessons learned from case studies, considering local context and challenges.

**Content:**
NABARD model, SIDBI model, SGSY model, Grameen Banking model, NMDFC model, Associations model, Community Banking Model, Credit unions etc. Strategic Issues in Microfinance: Significance of NGOs: their role and responsibilities; case studies.

**Unit 3: Microfinance Institutions** **(12 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:
- Recall the different types of MFIs.
- Understand the issues and challenges involved in pricing micro-loans.
- Apply risk management techniques and tools in the context of microfinance operations.
- Assess the commercial viability of MFIs based on financial and operational indicators.
- Evaluate the strengths and limitations of different MFI models and their suitability for different target populations.
- Design innovative MFI models that combine commercial viability with social impact to maximize financial inclusion.

**Content:**
Eligibility, Regulations, types, Commercial Microfinance: Investing in Microfinance, Viability of MFIs, Risk management in Micro finance; Pricing of Micro-loans: issues and challenges; Strategic Issues in Microfinance, Role of RBI in Financial Inclusion.

**Unit 4: Social Rating, Credit Rating of MFIs** **(12 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:
- Recall the concepts of social rating, credit rating and their importance in evaluating the performance of MFIs.

- Understand the significance of impact assessment in evaluating the effectiveness and outcomes of microfinance initiatives.
- Apply the principles and guidelines of the MUDRA Yojana to facilitate access to finance for microenterprises.
- Analyze the challenges and opportunities in implementing microinsurance in the context of microfinance.
- Evaluate the impact and outcomes of different Government welfare schemes in achieving financial inclusion.
- Generate new case studies highlighting successful approaches and lessons learned from government welfare schemes for financial and social inclusion.

**Content:**
Social Rating, Credit Rating of MFIs and Impact assessment in Micro finance; Micro insurance: issues and challenges; MUDRA Yojana; PMJDY. Government's welfare schemes for financial and social inclusions like Deendayal antyodaya yojana, Pradhan Mantri Garib Kalyan Yojana (PMGKY) (Case Studies).

**Essential Readings:**
1. Panda, D. K. (2009). *Understanding Microfinance*. Wiley
2. Indian Institutes of Banking and Finance. (2008). *Micro-finance Perspectives and Operations*. MacMillan India Ltd.
3. Armendariz, B., & Morduch, J. (2005). *The Economics of Microfinance*. Prentice-Hall of India Pvt. Ltd. Delhi.

**Additional Readings:**
1. Ledgerwood, J. (1998). *Microfinance Handbook: An Institutional and Financial Perspective*. The World Bank, Washington, D.C.
2. Harper, M. (2003). *Practical Microfinance: Training Guide for South Asia*. Vistaar Publication, New Delhi.

**Examination scheme and mode:**

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

# DSE 7: MANAGEMENT OF FINANCIAL INSTITUTIONS

**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 | | |
| Management of Financial Institutions DSE-7 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

- This course aims at enabling the students to understand and to contribute to the strategic operational policies and risk management practices of financial institutions in a competitive environment.

**Learning Outcomes:**

After studying this course the student will be able:

- Understand the functioning of a financial institution.
- Understand the entire process of operating a bank and other financial institutions with respects to the rules and regulations prescribed by the regulators.
- Understand the problems faced by the banks like that of NPA or of liquidity challenge etc. and tools and techniques to manage them.

**Course Contents:**

**Unit 1: Foundation and Key Concepts (9 hours)**

Financial Intermediation: Types of Financial Services-Depository Institutions, Finance Companies, Security Firms and Investment Banks, Mutual Funds and Hedge Fund Companies, Insurance Companies. An Overview of the Indian Financial System; Regulation of Banks, NBFCs & FIs, Capital Adequacy: Capital adequacy norms; Basel agreement-II&III, CRR & SLR management.

**Unit 2: Financial Statement Analysis of Banks (12 hours)**

Statement of Financial Sector: Statements of Financial Institutions: Analysing Bank's Financial Statement: The balance sheet; income statement; Cash Flow Statement; profitability, liquidity and solvency analysis; Sources and Uses of Banks Funds, Performance Analysis of banks: CAMELS Risk system; Key Performance Indicators; Data Envelopment Analysis, Asset Liability Management: RBI guidelines on asset liability management.

**Unit 3: Measuring and Managing Risk Part 1 (12 hours)**

Institutional Risk Management: Interest Rate Risk: Level and Movement of Interest Rates, Term Structure of Interest Rates, Interest Rate Risk Management: Measurement of Interest Rate Risk; Duration and its kinds; Convexity. Managing Interest Rate Risk: Repricing Gap Model, Duration Gap Model, Cash Flow Matching Model; Convexity Adjustments. Credit Risk: Individual Loan Risk, Return on Loans , Measurement of Credit Risk- Models of Credit Risk Measurement and Pricing, Qualitative and Quantitative Models, Loan Portfolio and Concentration Risk, Moody's Analytics Portfolio Manager Model, Loan Volume–Based Models, Loan Loss Ratio–Based Models, Regulatory Models. NPA & its types, Management of NPA Market Risk; Liquidity Risk, Operational Risk.

**Unit 4: Measuring and Managing Risk Part 2 (12 hours)**

Liquidity Risk Management: Measurement of Liquidity Risk; Measures of Liquidity Exposure; Causes of Liquidity risk: Asset-Side and Liability-Side; Managing Liquidity Risk: Purchased Liquidity management and Stored Liquidity management; Liquidity Planning; Deposit Insurance; Discount Window. Market risk; Banking Book and Trading Book, The Riskmetrics Model, The Historic (Back Simulation) Model, The Monte Carlo Simulation Approach, Regulatory Models: The Bis Standardized Framework, Off- Balance Sheet Risk: Off-Balance-Sheet Activities, Returns and Risk of Off-Balance-Sheet Activities; Technology and Other Operational Risk, Securitization.

**Essential Readings:**

1. Saunders & Cornett – *"Financial Institutions Management – A risk management approach"* Tata McGraw Hill.
2. Paul, J & Suresh, P -" *Management of Banking and Financial Services*" Pearson.

**Additional Readings:**

1. Resti & Sironi – *"Risk management and shareholders" value in banking".* John Wiley.
2. RBI Master Circulars and other Regulatory documents applicable at the time of teaching the course.

**Examination scheme and mode:**

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

# DSE 9: INSURANCE 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 | | |
| Insurance Management DSE-9 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objectives:** To enable students to identify and manage different types of risks. They will be able to understand the concepts, types and principles of Insurance. Further, they will know the important aspects and technical components of management of Insurance business.

**Learning Outcomes:**

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

- identify and analyze various types of risks faced by individuals and businesses, evaluate the role and importance of insurance in mitigating these risks, and differentiate between different types of insurance
- understand the principles of risk management, techniques for managing risks, and legal principles governing insurance contracts, and develop an understanding of real-world risk management scenarios.
- understand the legal Characteristics and components of insurance contracts, underwriting principles, claims settlement process, and the regulatory framework of the insurance industry in India.
- comprehend the different aspects of insurance business management, including reinsurance, alternative risk transfer, investments, rate-making, coinsurance, and important provisions of insurance policies.

**Course Contents**

**Unit 1: Insurance and Risk** **(12 hours)**

Risk – Definitions of Risk, Chance of Loss, Peril and Hazard, Classification of Risk, Major Personal Risks and Commercial Risks, Burden of Risk on Economy and Society. Insurance – Definition of Insurance, Basic Characteristics of Insurance, Law of Large Numbers, Characteristics of an Ideally Insurable Risk, Benefits and Costs of Insurance to Society. Life and General Insurance: Types, Difference between Life and General insurance.

**Unit 2: Insurance Principles & Risk Management** **(12 hours)**

Risk Management – Meaning of Risk Management, Objectives of Risk Management, Steps in the Risk Management Process, Techniques for Managing Risk, Benefits of Risk Management. Personal Risk Management. Enterprise Risk Management (briefly) – Concept & Benefits. Case

Studies on Management of different Personal and Business Risk to be discussed. Fundamental Legal Principles – Principle of Indemnity, Principle of Insurable Interest, Principle of Subrogation, Principle of Utmost Good Faith. Requirements of an Insurance Contract.

**Unit 3: Insurance Company Operations (12 hours)**
Requirements of an Insurance Contract, Distinct Legal Characteristics of Insurance Contracts. Components of Insurance Contracts – Declarations, Definitions, Insuring agreement, Exclusions, Conditions, and Miscellaneous provisions. Underwriting – Underwriting Policy, Underwriting Principles, Sources of Underwriting Information. Sales and Marketing activities of Insurers. Claims Settlement – Basic Objective, Parties Involved & Steps in Settlement Process. Endorsements and Riders. Deductibles – Concepts and Purpose of Deductibles. Regulatory Framework of Insurance in India (briefly) – Insurance Legislation and IRDA.

**Unit 4: Important Aspects of Insurance Business Management (9 hours)**
Reinsurance – Definitions, Reasons for Reinsurance, Types of Reinsurance – Facultative & Treaty Reinsurance, Methods of Sharing Losses (Numerical Qs). Alternatives to Traditional Reinsurance – Securitization of Risk and Catastrophe Bonds. Insurance and Investments – Life Insurance Investments, Property and Casualty Insurance Investments. Rate Making – Concept, Objectives, Rate Making Methods (Numerical Qs) – Judgement, Class and Merit Rating Method. Coinsurance – Nature, Purpose and Problems. Other Important Provisions – Pro Rata liability, Contribution by Equal Shares, and Primary and Excess Insurance.

**Essential Readings:**
1. Rejda, G. E., McNamara, M. J., & Rabel, W. H. (2021). *Principles of Risk Management and Insurance*. (14th ed.). Pearson Education.
2. Mishra, M. N., & Mishra, S. B. (2016). *Insurance Principles and Practice*. (14th ed.). S. Chand and Company.

**Additional Readings:**
1. Gupta, P. K. (2022). *Insurance and Risk Management* (2nd ed.). Himalaya Publishing House.
2. Institute of Chartered Accountants of India. (2021). *Diploma in Insurance and Risk Management* [Course modules].

**Examination scheme and mode:**

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

# DSE 11: INTERNATIONAL FINANCIAL ARCHITECTURE

**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 | | |
| International Financial Architecture DSE-11 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective:**

- To acquaint students with the latest developments in the international business relationships and agencies funding for country's development.

**Learning Outcomes:**

After completion of this paper:

- Students shall be aware of the latest development in the international business relationships which will enable them to make better decisions related to international business.
- Students shall have the knowledge of different international investment avenues and opportunities available.
- Students shall be aware of various regional trading blocks, international institutions and funding agencies.

**Course Contents:**

**Unit 1** **(12 hours)**
Review of Economic Theory on International Trade: Basis for international trade; gains from trade; distributional issues, policy instruments and their impact, political economy. Importance, nature and scope of international relation, modes of entry into international business, internationalization process and managerial implications. Domestic, foreign and global environments and their impact on international business decision; Growing concern for green trades.

**Unit 2** **(12 hours)**
International economic & trading environment: Regional integration and trade blocks, regionalism v/s. multilateralism, European Union. Integration of developing countries – BRICS, ASEAN, SAARC, SAFTA, NAFTA, G-20. World trade in goods and services – Major trends and developments; World trade and protectionism – Tariff and non-tariff barriers; Counter trade, UNCTAD, WTO, GATT, GATS, TRIM, TRIPS; India's role in facilitating trade relations under BRICS, SAARC, SAFTA, ASEAN and to WTO.

**Unit 3** **(9 hours)**

International investment: Types and significance of foreign investments, factors affecting international investment, growth and dispersion of FDI, Cross border mergers and acquisition, foreign investment in India-Impact of reforms on competitiveness of the Indian Firms, EURO/ADR issues, ECBs; current economic crises in US/Europe/Asia and its impact on economic growth in India.

**Unit 4** **(12 hours)**

Economic institutions – International Monetary Funds (IMF), World Bank (IBRD, IDA, IFC), Asian Development Bank, BRICS Development Bank, European Bank for Reconstruction and Development, Bilateral funding arrangements with special reference to Japan International Cooperation Agencies (JICA), agencies of USA; Case studies on Bilateral financing arrangements of Indian projects like Delhi Metro, Dedicated Freight corridor, Nuclear Power Plant etc.

**Essential Readings:**

1. Radebaugh, L.H., Sullivan, D.P., Salwan, P., & Daniels, J.D. (n.d.). International Business Environments and Operations (15th ed). Pearson.
2. Hill, W. L., Charles, & Jain, A.K. (2008). International Business (6th ed). India: McGraw Hill.

**Additional Readings:**

1. Bennet, R. (1999). International Business. Financial Times. London: Pitman Publishing.

2. Vyuptakesh, S. (2003). International Business (2nd ed). India: Pearson Education.

3. Krueger, A. O. (2002). Economic Policy Reforms and the Indian Economy. OUP.

4. Velasquez, M. G. (2012). Business Ethics Concepts and Cases (7th ed.). New Delhi: PHI.

### Examination scheme and mode:

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

# GENERIC ELECTIVE (GE) COURSES

## GE 1: FUNDAMENTALS OF FINANCIAL 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 | | |
| Fundamentals of Financial Management GE-1 | 4 | 3 | 1 | 0 | Class XII | Basic knowledge of financial accounting, cost and management accounting and corporate accounting |

**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:**

Upon completion of the course a learner shall be competent to:

- Understand the concept of time value of money, process of capital budgeting, concepts of cost of capital and other aspects of financing, dividend and working capital decisions
- Understand the process of making investments, raising finance for investment in fixed and current assets and distribution of surplus from business operations.
- Apply the techniques of time value of money in real life situations, techniques of capital budgeting in investment decisions, process to calculate the cost of capital and share price based on dividends along with the estimation of working capital and its components.
- Evaluate the investment opportunities available, the various financing mix that can be used to derive the maximum value from the investment opportunities, the optimal dividend payout and monitor the current asset requirements.
- Analyse the evaluation outcomes to choose the best investment opportunity at the lowest cost of financing and adopt the optimal dividend pay-out along with the optimal level of liquidity through the working capital route to derive maximum wealth.

- Create a portfolio of investments at the best possible financing and dividend mix with the most appropriate working capital composition that will create maximum wealth under the given constraints.

**Course Contents:**

**Unit 1** **(9 hours)**
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** **(15 hours)**
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** **(12 hours)**
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.

**Unit 4** **(9 hours)**
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, J., & DeMarzo, P. (n.d.). Corporate Finance (5th ed.). Pearson - Prentice Hall.
2. Horne, J. C. V., & Wachowicz, J. M. (n.d.). Fundamentals of Financial Management (13th ed.). FT Prentice Hall, Pearson Education.
3. Pandey, I. M. (n.d.). Financial Management. Pearson.

**Additional Readings:**

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

**Examination scheme and mode:**

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

# GE 3: FUNDAMENTALS OF STOCK TRADING

**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 | | |
| Fundamentals of Stock Trading GE-3 | 4 | 3 | 1 | 0 | Class XII | Basic understanding of financial concepts and terminology |

**Course Objectives:**

The course will help the learner to:

- Understand the fundamentals of investment, investment environment, and the principles of sound investment.
- Gain knowledge of the Indian securities market, including primary and secondary markets, IPOs, stock exchanges, and stock indices.
- Learn about online security trading, including trading mechanisms, settlement processes, and different types of orders.
- Understand mutual funds, their structure, advantages, and limitations, as well as different types of schemes and plans.
- Gain knowledge of how to evaluate investment alternatives, including criteria for evaluating mutual funds, and performance evaluation of mutual funds.

**Learning Outcomes:**

The course will help the learner to:

- Understand the fundamentals of investment, investment environment and principles of sound investment, and evaluate different investment alternatives based on criteria such as risk and return.

- Analyze the Indian securities market, differentiate between capital and money markets, primary and secondary markets, and comprehend the role of market participants such as issuers, investors, and intermediaries.
- Explain the trading mechanism on exchanges, online trading mechanisms, and the types of orders and conditions associated with it.
- Evaluate mutual fund schemes, their structures, advantages, and limitations, and comprehend the factors affecting the choice of mutual funds.
- Analyze the performance evaluation of mutual funds and comprehend the ranking methodology used by CRISIL for mutual funds.

**Course Contents**

**Unit 1: Basics of Investment & Investment Environment (9 Hours)**

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 (12 Hours)**

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 (12 Hours)**

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, 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 (12 Hours)**

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:**


- Bhalla, V.K. (2018). Investment Management: Security Analysis and Portfolio Management. S. Chand Publishing.
- Varshney, R.L., & Bhalla, V.K. (2017). Indian Financial System: Theory and Practice. S. Chand Publishing.
- Krishnan, R. (2016). Mutual Fund Industry in India: A Study of Investment Behaviour. Springer.
- Joshi, P.C. (2017). Online Trading: How to Trade Online for Beginners. Createspace Independent Publishing Platform.


**Additional Readings:**


- Bodie, Z., Kane, A., & Marcus, A. J. (2018). Investments. McGraw-Hill Education.
- Fabozzi, F. J., Neave, E. H., & Zhou, G. (2019). Investments: analysis and behavior. Cengage Learning.
- Kapoor, J. R., Dlabay, L. R., & Hughes, R. J. (2017). Personal finance. McGraw-Hill Education


**Examination scheme and mode:**

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

# GE 5: ESSENTIALS OF FINANCIAL INVESTMENTS

**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 | | |
| Essentials of Financial Investments GE-5 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objectives:**

- To familiarize students with the essential concepts and fundamentals of financial investments.
- To enable students to understand and make informed choice about thevarious 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.
- Understand basic approaches to valuation of securities and carry out portfolio analysis.

**Course Contents**

**Unit 1: Investments – An Overview (9 Hours)**

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 (12 Hours)**

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 (12 Hours)**

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 (12 Hours)**

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.

**Essential Readings:**

1. Tripathi, V. (n.d.). Security Analysis and Portfolio Management. Taxmann Publications.

2. Chandra, P. (n.d.). Investment Analysis and Portfolio Management. McGraw Hill Education.

**Additional Readings:**

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

**Examination scheme and mode:**

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

# GE 7: EMERGING BANKING AND 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 | | |
| Emerging Banking and Financial Services GE-7 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective:**

- 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.
- To make students 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 Indian banking system and latest developments in this sector.
- Analyse the implications of non-performing assets in the banking sector on the economy.
- Evaluate the implications of mergers and acquisitions in the banking system and appreciate the need for the same.
- Understanding various financial services and using the same in personal banking and non-banking activities.

**Course Contents:**

**Unit 1** **(12 Hours)**

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 backingfor bad banks - National Asset Reconstruction Company Ltd. (NARCL).

**Unit 2** **(12 Hours)**

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 ofmergers, Regulatory mechanisms surrounding M&A in banking, Case-studies of recent banking mergers and related outcomes.

**Unit 3** **(12 Hours)**

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; Financelease 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** **(9 Hours)**

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. (2018). *Indian Financial System*. Pearson Publication. (5th ed).
2. Khan, M. Y. (2017). *Financial services*. McGraw Hill Education. (6th ed).
3. Machiraju, H. R. (2002). *Indian Financial System*. Vikas Publication House. (5th ed).

**Additional Readings:**

1. Verma, J. (1996). *Bharat's manual of merchant banking: Concept, practices and procedures with SEBI clarifications, guidelines, rules and regulations.* Bharat Law House.
2. Sriram K. *Hand Book of Leasing, Hire Purchase & Factoring*. Institute of Chartered Financial Analysts of India.
3. Wright M., Watkins T. & Ennew C. (2016). *Marketing of Financial Services*. Routledge

**Examination scheme and mode:**

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

# GE 9: ECONOMIC LEGISLATION

**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 | | |
| Economic Legislation GE-9 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

- To familiarise students with various legislations in the areas of foreign trade, competition, bankruptcy and economic offences.
- To provide an overview of detailed provisions of various economic legislation.
- To enable students to understand the legal implications of unlawful practices and legal recourse available.

**Learning Outcomes:**

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

- Understand the legal framework relating to foreign exchange, competition, insolvency and fugitive economic offenders.
- Recognise the legal issues in any business transaction and understand lawful way of conduct of economic activities.
- Analyse the legal implications of any economic decision.
- Evaluate legal remedies available in case of bankruptcy or any wrongdoing.

**Course Contents:**

**Unit 1: Competition Act and Fugitive Economic Offenders Act (15 Hours)**

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 (9 Hours)**

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 (12 Hours)**
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 (9 Hours)**
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 Business Law.* Himalaya Publishing House

2. Aggarwal R. (2014). *Mercantile & Commercial Law*. Taxmann Publications
3. Kucchal M. & Kuchhal V. (2018). *Mercantile Law*. Vikas Publishing House (P) Ltd.

4. Kapoor N. D. (2018). *Elements of Mercantile Law*. Sultan Chand Publications

**Examination scheme and mode:**

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

# Semester-VI

**BBA(FIA)**

# DISCIPLINE SPECIFIC CORE (DSC) COURSES

## DSC 16: INTERNATIONAL 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 | | |
| International Finance DSC-16 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective(s):**

- To equip the students with the techniques that can help them in managing the financial issues in international environment.
- To help them to manage MNCs in more effective manner.

**Learning Outcomes:**

By the end of the course, students will be able to

- Understand foreign exchange market.
- Understand country's position in International trade through Balance of Payments.
- Identify risk relating to exchange rate fluctuations and develop strategies to deal with them.
- Understand the various types of exposures and will develop the strategy to handle them.
- Express well considered opinion on issues relating to international financial management.

**Course Contents:**

**Unit 1: International Trade and International Financial Systems (6 hours)**

**Learning Outcomes:**

By the end of the unit, students will be able to:

- Recall the major theories of international trade.
- Understand the components and structure of the Balance of Payments (BoP) and its role in measuring a country's economic relationships with the rest of the world.
- Analyze the strengths and weaknesses of different exchange rate mechanisms and their impact on international trade and financial stability.
- Analyze the components of the Balance of Payments (BoP) and assess their implications for a country's economic performance and external position.
- Assess the effectiveness and limitations of the Balance of Payments (BoP) as a tool for monitoring and managing a country's external transactions.

- Propose strategies to improve the Balance of Payments (BoP) position of a country, considering its economic objectives and external challenges.

**Content:**
Concept of International Trade, Theories of International Trade. Balance of Payments (BoP) of India. International Monetary System: Different types of Exchange Rate Mechanisms – the Classical Gold Standard, the Gold Exchange Standard, The Bretton Woods System, Current Monetary System.

**Unit 2: Forex Market and Forecasting Exchange Rate (15 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:

- Recall the concepts of forward rates, swaps, discounts, and premiums in the forward market.
- Understand the concept of currency arbitrage and how it can be utilized in spot markets.
- Apply the models of exchange rate forecasting to predict future exchange rate movements based on relevant economic indicators.
- Analyze the various factors affecting exchange rates and their relative importance in determining currency values.
- Assess the impact of economic, political, and market factors on exchange rates and their potential implications for financial decision-making.
- Develop innovative approaches to minimize the costs and risks associated with forward rates, swaps, discounts, and premiums in the forward market.

**Content:**
Foreign Exchange Management: Forex Market – Spot and Forward market, Quotations – Direct, Indirect and Cross currency; Types of Transactions and their Settlement Dates. Forward rates, Swaps. Discounts and Premiums in Forward Market. Currency Arbitrage in Spot Markets. Exchange Rate Determination and Forecasting: Models of Exchange Rate Forecasting, Purchasing Power Parity, The Fisher Effect, The International Fisher Effect, Interest Rate Parity Theory, Forward Rate as an Unbiased Predictor. Factors affecting Exchange Rates.

**Unit 3: Managing Foreign Exchange Exposures (12 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:

- Recall three types of foreign exchange exposures: translation exposure, economic exposure, and transaction exposure.
- Understand the methods for measuring foreign exchange exposures.
- Apply knowledge of different hedging techniques to select and implement the most suitable hedge strategy.
- Analyze the advantages and disadvantages of different hedging techniques.

- Assess the potential economic exposures faced by multinational companies and evaluate strategies to manage and mitigate those exposures.
- Create a hedging strategy that effectively manages transaction exposure in a multinational company.

**Content:**
Foreign Exchange Exposures – Translation Exposure, Economic Exposure, and Transaction Exposure. Management of Translation Exposure – Alternative Currency Translation Methods. Management of Economic Exposure – Measuring Economic Exposure, Managing Operating Exposure. Management of Transaction Exposure – Forward Market Hedge, Money Market Hedge, and Options Market Hedge.

**Unit 4: Multinational Financial Management** **(12 hours)**
**Learning Outcomes:**
By the end of the unit, students will be able to:
- Recall the concept of international project appraisal and the use of the Adjusted Present Value (APV) method.
- Explain the concept of multinational working capital management and the significance of cash management through bilateral and multilateral netting.
- Apply risk measurement and management techniques to mitigate political risk in international financial management.
- Analyze the advantages and disadvantages of different methods of raising funds from abroad and evaluate their suitability for multinational companies.
- Assess the effectiveness of multinational working capital management strategies in optimizing cash flows and reducing financial risks.
- Create an optimal international portfolio investment strategy that balances risks and returns based on specific investment objectives and market conditions.

**Content:**
International Project Appraisal – APV method. Multinational Working Capital Management: Multinational Cash Management (Bilateral and Multilateral Netting). Measuring and Managing Political Risk. International Investment Management: International Portfolio Investment – The Risks and Benefits of International Equity Investing, International Diversification, International Bond Investing, Optimal International Asset Allocation, Measuring Returns from Foreign Portfolio Investment. Raising Funds from abroad – GDR, ADR, Euro bonds, and Global bonds.

**Essential Readings:**
1. Apte, P. G. (2020). *International Financial Management*. Tata McGraw Hill.
2. Shapiro, A. C. (2019). *Multinational Financial Management*. Prentice Hall.

**Additional Readings:**
1. Eun, C. S., & Resnick, B. G. (2021). *International Financial Management*. McGraw Hill.
2. Levi, M. D. (2009). *International Finance. Routledge*, Taylor & Francis Group.

Latest editions of references may be used.
**Examination scheme and mode:**

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

# DSC 17: CORPORATE ETHICS

**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 Ethics DSC-17 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective:**

- To provide a detailed insight into issues and practices of corporate ethics, corporate governance and CSR to encourage moral practices and sensitivity towards the ethical dimension of managerial problems.
- To highlight the role of business in sustainable development and current regulation in this field.
- To enable students to handle ethical dilemmas in decision making

**Learning Outcomes**:

After studying the course the student will be able to:

- Understand the role of ethics, governance and CSR as an organization practice.
- Understand various aspects of corporate governance and apply the same in their role as future managers and directors of various business enterprises.
- Understand the corporate sustainability and its reporting requirements.
- Evaluate ethical aspects of any decision
- Create ethically and socially responsible businesses

**Course Contents:**

**Unit 1: Corporate Ethics (9 hours)**

Meaning, role and importance, theories of ethics: utilitarianism: weighing social cost and benefits, virtue ethics, teleological theories, egoism, rights and duties, justice and fairness, ethics of care. Worker's and employee's rights and responsibilities. Ethics in compliance, Ethics in finance, Ethics in human resources: gender ethics, sexual harassment and discrimination, ethics in marketing. Ethical dilemma.

**Unit 2: Corporate Governance (12 hours)**

Need and Importance, Role of Board of Directors, Code of Ethics, Code of Conduct, Model Code of Business Conduct & Ethics and Corporate Governance Committees: International and Indian Experience, Whistle Blower Policy and Whistle Mechanism. Anti-Corruption Policy and integrity training.

**Unit 3: Sustainable Development (12 hours)**

Role of business in sustainable development, corporate sustainability. Sustainability reporting: government role in improving sustainability reporting, triple bottom line (TBL). Global Reporting Initiative (GRI), UN global compact, sustainability indices, sustainability reporting framework in India, challenges in sustainability reporting. Contemporary developments: integrated reporting, integrated reporting by listed entities in India. Relation between integrated reporting and sustainability reporting.

**Unit 4: Corporate Social Responsibility (12 hours)**

Corporate Social Responsibility (CSR): Meaning and definitions of CSR, CSR and philanthropy, factors influencing CSR, CSR in India. Corporate Social Responsibility Voluntary Guidelines, 2009. CSR under the Companies Act, 2013.Corporate citizenship – beyond the mandate of law, CSR audit, profit maximization vs. social responsibility.

**References:**

- Fernando A. C.: Business Ethics–An Indian Perspective. (Chapter 9)
- Ghosh B N: Business Ethics & Corporate Governance, Mc Graw Hill (Chapter 17)
- Andrew & Matten Dirk: Business Ethics, Oxford. (Chapter1, 2, 7)
- Crane Andrew & Matten Dirk: Business Ethics, Oxford. (Chapter11)
- Sharma J P: Corporate Governance, Business Ethics & CSR, Ane Books.(Chapter12)

**Essential Readings:**

1. Velasquez, M. G. *Business Ethics: Concepts and Cases*. Pearson Education
2. Fernando A.C. *Business Ethics*. Pearson Education.
3. Luthans F., Hodgetts R., & Thompson K. *Social issues in Business*, Macmillan Publishers
4. Gibson K., *Ethics and Business: An Introduction (Cambridge Applied Ethics)*. Cambridge University Press.

**Additional Readings:**

1. Fernando A.C. *Corporate Governance: Principles, Policies, and Practices*. Pearson Education.
2. Adrian D. *Strategic Approach to Corporate Governance*. Gower Publishing Ltd.
3. Gopalswamy N. *Corporate governance: A new paradigm*. A H Wheeler Publishing Co Ltd.
4. Marianne J. *Cases in Business Ethics*. Indian South Western College Publishing.
5. Bhanumurthy K. *Ethics and Social Responsibility of Business*. Pearson Education India.

**Examination scheme and mode:**

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

# DSC 18: 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 | | |
| Financial Services DSC-18 | 4 | 3 | 1 | 0 | Class XII | NA |

**Course Objective**:

- To arm students with the key concepts, evaluative tools and techniques necessitated by today's dynamic banking environment to work cross-functionally within retail and institutional clients across an extensive range of financial services.

**Learning Outcomes:**

After studying the course the student will be able to:

- Understand the various financial services available in financial markets particularly in India along with the latest innovations and technological integration in the field of finance.

**Course Contents:**

**Unit 1: Introduction to Financial Services (9 hours)**

Introduction to Financial Services: Constituents of the Financial Sector – Institutional Structure (Banking, Insurance, Mutual Funds, Pension Funds, Foreign Institutional Investors) – Financial Markets (Money, Equity, Debt, G-Sec, Forex & Commodities)) – Financial Sector and the Pandemic, Basel Accords and Banking Regulation, Emergence of Digital Finance and AI Based Asset Managers, Discount Broking v/s Full-service Broking.

**Unit 2: Merchant Banking (12 hours)**

Merchant Banking –meaning, nature and function; merchant banking in India, role in issue management; Book building process, green shoe option. Mutual Fund: types of Mutual Funds and different types of schemes, concept of NAV, Credit Rating Agencies: Role and mechanism. Depository services- meaning, role of depository and their services, Depository in India- NSDL & CDSL.

**Unit 3: Leasing and Hire Purchase (15 hours)**

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, Hire Purchase interest & Installment, difference between Hire Purchase & Leasing, Choice criteria between Leasing and Hire

Purchase mathematics of HP, Factoring, forfaiting and its arrangement, Housing Finance : Meaning and rise of housing finance in India, Fixing the amount of loan, repricing of a loan, floating vs. fixed rate, Practical problems on housing finance.

**Unit 4: Venture Capital** **(9 hours)**

Alternative Investments: Venture Capital: Concept, history and evolution of VC, the venture investment process, various steps in venture financing, incubation financing, buy-outs. Real Estate, Private Equities, Commodities: Concepts, Classification, history Insurance: concept, classification, principles of insurance, IRDA and different regulatory norms, operation of General Insurance, Health Insurance, Life Insurance. Securitization: concept, securitization as a funding mechanism, Traditional and non-traditional mortgages, Graduated-payment mortgages (GPMs), Pledged-Account Mortgages (PAMs), Centralized Mortgage obligations (CMOs), Securitization of non-mortgage assets, Securitization in India. US 2008 sub-prime mortgage crisis. Cases of Bear Stearn, Lehman Brothers.

**Essential Readings:**

1. Khan, M. Y., *Financial Services*, Tata McGraw –Hill.
2. Machiraju, *Indian Financial System*, Vikas Publishing House.

**Additional Readings:**

1. Verma, J. C., *A Manual of Merchant Banking*, Bharath Publishing House.
2. Sriram, K, *Hand Book of Leasing, Hire Purchase & Factoring*, ICFAI, Hyderabad.
3. Ennew. C., Watkins, T & Wright, M. *Marketing of Financial Services*, Heinemann Professional.

**Examination scheme and mode:**

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

# 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.