

Post Graduate Diploma in Financial Management (PGDFM)

(Course code – 53)

I SEMESTER

CURRICULUM

Sl.No.	Code	Course Title	Max. Marks	Minimum Passing Marks
1	PGFM1001	Management Concepts & Organisational Behaviour	100	50
2	PGFM1002	Managerial Economics	100	50
3	PGFM1003	Business Environment and Law	100	50
4	PGFM1004	Operations Research and Management	100	50
5	PGFM1005	Accounting for Managers	100	50

II SEMESTER

Sl.No.	Code	Course Title	Max. Marks	Minimum Passing Marks
1	PGFM2001	Banking and Indian Financial System	100	50
2	PGFM2002	Financial Management	100	50
3	PGFM2003	Merchant Banking and Financial Services	100	50
4	PGFM2004	Investment and Portfolio Management	100	50
5	PGFM2005	Global Financial Management	100	50

PGDFM - I Semester

PAPER – I

MANAGEMENT CONCEPTS & ORGANISATIONAL BEHAVIOUR

Paper Code: PGFM1001

Objectives

- To provide conceptual understanding of Management Concepts
- To familiarize the students with the contemporary issues in Management
- To understand and appreciate the human behaviour in organisations

UNIT - I

Nature of Management - Social Responsibilities of Business - Manager and Environment Levels in Management - Managerial Skills - Planning - Steps in Planning Process - Scope and Limitations - Short Range and Long Range Planning - Flexibility in Planning Characteristics of a sound Plan - Management by Objectives (MBO) - Policies and Strategies - Scope and Formulation - Decision Making - Techniques and Processes

UNIT – II

An Overview of Staffing, Directing and Controlling Functions - Organising - Organisation Structure and Design - Authority and Responsibility Relationships - Delegation of Authority and Decentralisation - Interdepartmental Coordination - Emerging Trends in Corporate Structure, Strategy and Culture - Impact of Technology on Organisational design - Mechanistic Vs Adoptive Structures - Formal and Informal Organisation

UNIT – III

Perception and Learning - Personality and Individual Differences - Motivation and Job Performance - Values, Attitudes and Beliefs - Stress Management - Communication Types-Process - Barriers - Making Communication Effective

UNIT – IV

Group Dynamics - Leadership - Styles - Approaches - Power and Politics - Organisational Structure - Organisational Climate and Culture - Organisational Change and Development.

UNIT – V

Comparative Management Styles and approaches - Japanese Management Practices Organisational Creativity and Innovation - Management of Innovation - Entrepreneurial Management - Benchmarking - Best Management Practices across the world - Select cases of Domestic & International Corporations - Management of Diversity.

REFERENCES

Koontz, Weirich & Aryasri, PRINCIPLES OF MANAGEMENT, *Tata McG-Hill, Delhi, 2004*
Tripathi & Reddy, PRINCIPLES OF MANAGEMENT, *Tata McGraw-Hill, New Delhi, 2008*
Laurie Mullins, MANAGEMENT AND ORGANISATIONAL BEHAVIOUR, *Pearson, Delhi,*
Meenakshi Gupta, PRINCIPLES OF MANAGEMENT, *PHI Learning, NewDelhi, 2009*
Fred Luthans, ORGANISATIONAL BEHAVIOUR, *TataMcGraw-Hill, NewDelhi*
Stephen Robbins, ORGANISATIONAL BEHAVIOUR, *Pearson, New Delhi*
Ricky Griffin, MANAGEMENT: PRINCIPLES & APPLICATIONS, *Cengage, Delhi, 2008*

PGDFM - I Semester

PAPER – II MANAGERIAL ECONOMICS

Paper Code: PGFM 1002

Objectives

- To introduce the economic concepts
- To familiarize with the students the importance of economic approaches in managerial decision making
- To understand the applications of economic theories in business decisions

UNIT – I

General Foundations of Managerial Economics - Economic Approach - Circular Flow of Activity - Nature of the Firm - Objectives of Firms - Demand Analysis and Estimation - Individual, Market and Firm demand - Determinants of demand - Elasticity measures and Business Decision Making - Demand Forecasting.

UNIT-II

Law of Variable Proportions - Theory of the Firm - Production Functions in the Short and Long Run - Cost Functions – Determinants of Costs – Cost Forecasting - Short Run and Long Run Costs –Type of Costs - Analysis of Risk and Uncertainty.

UNIT-III

Product Markets -Determination Under Different Markets - Market Structure – Perfect Competition – Monopoly – Monopolistic Competition – Duopoly - Oligopoly - Pricing and Employment of Inputs Under Different Market Structures – Price Discrimination - Degrees of Price Discrimination.

UNIT-IV

Introduction to National Income – National Income Concepts - Models of National Income Determination - Economic Indicators - Technology and Employment - Issues and Challenges – Business Cycles – Phases – Management of Cyclical Fluctuations - Fiscal and Monetary Policies.

UNIT – V

Macro Economic Environment - Economic Transition in India - A quick Review - Liberalization, Privatization and Globalization - Business and Government - Public-Private Participation (PPP) - Industrial Finance - Foreign Direct Investment(FDIs).

REFERENCES

Yogesh Maheswari, MANAGERIAL ECONOMICS, *PHI Learning, NewDelhi, 2005*

Gupta G.S., MANAGERIAL ECONOMICS, *Tata McGraw-Hill, New Delhi*

Moyer & Harris, MANAGERIAL ECONOMICS, *Cengage Learning, NewDelhi, 2005*

Geetika, Ghosh & Choudhury, , MANAGERIAL ECONOMICS, *Tata McGrawHill, NewDelhi, 2011*

PGDFM – I Semester

PAPER – III BUSINESS ENVIRONMENT AND LAW

Paper code: PGFM 1003

Objectives

- To acquaint students with the issues of domestic and global environment in which business has to operate
- To relate the Impact of Environment on Business in an integrated manner, and
- To give an exposure to important commercial and industrial laws

UNIT – I

Dynamics of Business and its Environment – Technological, Political, Social and Cultural Environment - Corporate Governance and Social Responsibility - Ethics in Business - Economic Systems and Management Structure - Family Management to Professionalism - Resource Base of the Economy - Land, Forest, Water, Fisheries, Minerals - Environmental Issues.

UNIT - II

Infrastructure - Economic- Social, Demographic Issues, Political context - Productivity Factors, Human Elements and Issues for Improvement - Global Trends in Business and Management - MNCs - Foreign Capital and Collaboration - Trends in Indian Industry - The Capital Market Scenario.

UNIT - III

Law of Contract - Agreement - Offer - Acceptance - Consideration - Capacity of Contract Contingent Contract - Quasi Contract - Performance - Discharge - Remedies to breach of Contract - Partnership - Sale of Goods - Law of Insurance - Negotiable Instruments - Notes, Bills, Cheques - Crossing - Endorsement - Holder in due course - Holder in value - Contract of Agency.

UNIT - IV

Company - Formation - Memorandum - Articles - Prospectus - Shares - Debentures - Directors - Appointment - Powers and Duties - Meetings - Proceedings – Management - Accounts - Audit - Oppression and Mismanagement - Winding up.

UNIT - V

Factory Act – Licensing and Registration of Factories, Health, Safety and Welfare measures - Industrial Disputes Act – Objects and scope of the Act, Effects of Industrial Dispute, Administration under the Act- Minimum Wages Act - Workmen Compensation Act.

REFERENCES

Pathak, LEGAL ASPECTS OF BUSINESS, Tata McGraw- Hill Publishing Company Limited, New Delhi, 2010.

Keith-Davis & William Frederick, BUSINESS AND SOCIETY, McGraw-Hill, Tokyo.

M.M. Sulphery & Az-har Basheer, LAWS FOR BUSINESS, PHI Learning Pvt. Ltd. New Delhi, 2011

Maheswari & Maheswari, MERCANTILE LAW. Himalaya Publishing House. Mumbai

Rudder Dutt & Sundaram, INDIAN ECONOMY, Vikas Publishing House, New Delhi.

Veena Keshav Pailwar, ECONOMIC ENVIRONMENT OF BUSINESS, PHI Learning Pvt. Ltd, New Delhi, 2010

PGDFM – I Semester

**PAPER –IV
OPERATIONS RESEARCH AND MANAGEMENT**

Paper Code: PGFM1004

Objectives

- To familiarize the Operations Management concepts
- To introduce various optimization techniques with managerial perspective
- To facilitate the use of Operations Research techniques in managerial decisions.

UNIT –I

Introduction to Operations Management - Process Planning - Plant Location - Plant Lay out - Introduction to Production Planning.

UNIT –II

Stages of Development of Operations Research- Applications of Operations Research- Limitations of Operations Research- Introduction to Linear Programming- Graphical Method- Simplex Method - Duality.

UNIT-III

Transportation Problem- Assignment Problem - Inventory Control - Introduction to Inventory Management - Basic Deterministic Models - Purchase Models - Manufacturing Models with and without Shortages.

UNIT-IV

Shortest Path Problem - Minimum Spanning Tree Problem - CPM/PERT - Crashing of a Project Network.

UNIT- V

Game Theory- Two Person Zero-sum Games -Graphical Solution of (2 x n) and (m x 2) Games - LP Approach to Game Theory - Goal programming - Formulations - Introduction to Queuing Theory - Basic Waiting Line Models: (M/M/1):(GD/a/a), (M/M/C):GD/a/a).

[Note: Distribution of Questions between Problems and Theory of this paper must be 60: 40 i.e, Problem Questions: 60 % & Theory Questions : 40 %]

REFERENCES

Kanishka Bedi, PRODUCTION & OPERATIONS MANAGEMENT, *Oxford, NewDelhi, 2007*

Panneerselvam, R, OPERATIONS RESEARCH, *Prentice-Hall of India, New Delhi, 2002.*

G.Srinivasan, OPERATIONS RESEARCH, *PHI Learning, NewDelhi,2010*

Tulsian & Pandey, QUANTITATIVE TECHNIQUES, *Pearson, NewDelhi, 2002*

Vohra, QUANTATIVE TECHNIQUES IN MANAGEMENT, *Tata McGrawHill, NewDelhi, 2010*

PGDFM - I Semester

PAPER –V ACCOUNTING FOR MANAGERS

Paper code: PGFM1005

Objectives

- To acquaint the students with the fundamentals principles of Financial, Cost and Management Accounting
- To enable the students to prepare, Analyse and Interpret Financial Statements and
- To enable the students to take decisions using Management Accounting Tools.

UNIT-I

Book-keeping and Accounting – Financial Accounting – Concepts and Conventions – Double Entry System – Preparation of Journal, Ledger and Trial Balance – Preparation of Final Accounts – Trading, Profit and Loss Account and Balance Sheet with adjustment entries, simple problems only - Capital and Revenue Expenditure and Receipts.

UNIT-II

Depreciation – Causes – Methods of Calculating Depreciation – Straight Line Method, Diminishing Balance Method and Annuity Method - Ratio Analysis – Uses and Limitations – Classification of Ratios – Liquidity, Profitability, Financial and Turnover Ratios – Simple problems only.

UNIT-III

Funds Flow Analysis – Funds From Operation, Sources and Uses of Funds, Preparation of Schedule of Changes in Working Capital and Funds Flow Statements – Uses and Limitations - Cash Flow Analysis – Cash From Operation – Preparation of Cash Flow Statement – Uses and Limitations – Distinction between Funds flow and Cash Flow – only simple problems

UNIT-IV

Marginal Costing - Marginal cost and Marginal costing - Importance - Break-even Analysis - Cost Volume Profit Relationship – Application of Marginal Costing Techniques, Fixing Selling Price, Make or Buy, Accepting a foreign order, Deciding sales mix.

UNIT-V

Cost Accounting - Elements of Cost - Types of Costs - Preparation of Cost Sheet – Standard Costing – Variance Analysis – Material Variances – Labour Variances – simple problems related to Material and Labour Variances only

[Note: Distribution of Questions between Problems and Theory of this paper must be 60:40 i.e., Problem Questions: 60 % & Theory Questions: 40 %]

REFERENCES

Jelsy Josheph Kuppapally, ACCOUNTING FOR MANAGERS, PHI, Delhi, 2010.

Paresh shah, BASIC ACCOUNTING FOR MANAGERS, Oxford, Delhi, 2007

Ambrish Gupta, FINANCIAL ACCOUNTING FOR MANAGEMENT, Pearson, Delhi, 2004

Narayanaswamy R, FINANCIAL ACCOUNTING , PHI, Delhi, 2011

Objectives

- To get an insight into the constitutions, structure, objectives and working of the Banking Institutions in India
- To evaluate the performance of Banking Institutions and their contribution to the growth of Indian Corporate Sector and
- To have a Bird's view of the Indian Financial System and in the context of Global Indian Banking System.

UNIT- I

Banking Systems – Definitions – Functions – Types – Central Banking – Structure of Banking System- Rural Financing – Banker and Customer Relationship – Deposit Mobilization – Loans and Advances – Assets and Liabilities Management – Secured Advances – Endorsement and Crossing of Cheques – Payment of Cheques – Collection of Cheques.

UNIT-II

Central Banking System – Nature- Organization and Management- Functions – Methods of Credit Controls – Objects of Monetary Policy – Autonomy of Central Bank Systems – Indian Money Market – Indian Capital Market – New Issue Market- Banking Legislations in India.

UNIT-III

Industrial and Agricultural Banking System – All Indian Development Banks – Investment Institutions- State Level Institutions – Specialized Financial Institutions – International Finance Institutions – IBRD – IFC – IDA – NABARD – NHB – Micro Financing Institutions.

UNIT-IV

Financial systems - Overview of Indian Financial System – savings and Financial Intermediation – Financial Markets – Listing Regulations – Primary Markets – Secondary Markets – Mutual Funds – Indian Fiscal Systems.

UNIT-V

Foreign Investments – Foreign Capital – Foreign Collaboration – Foreign Direct Investment – foreign Institutional Investors – Offshore Country Funds – Overseas Venture Capital Investments – International Capital Market.

REFERENCES

M.Y. Khan, INDIAN FINANCIAL SYSTEM, *Tata Mc Graw Hill, Delhi, 2008*

Jeff Madura, FINANCIAL MARKETS AND INSTITUTIONS, *CenGage, Delhi, 2008*

H.R. Machiraju, INDIAN FINANCIAL SYSTEM, *Vikas Publishing House, Delhi, 2009*

Pathak, THE INDIAN FINANCIAL SYSTEM, *Pearson Education India, 2007*

**PAPER-VII
FINANCIAL MANAGEMENT**

Paper code: PGFM2002

Objectives

- To know the various sources of finance
- To understand the various uses for finance and
- To familiarize oneself with the techniques used in financial management.

UNIT-I

Financial Management – Financial goals - Profit vs. Wealth Maximization; Finance Functions – Investment, Financing and Dividend Decisions – Cost of Capital – Significance of Cost of Capital – Calculation of Cost of Debt – Cost of Preference Capital – Cost of Equity Capital (CAPM Model and Gordon's Model) and Cost of Retained Earnings – Combined Cost of Capital (weighted/Overall).

UNIT-II

Capital Budgeting – Nature of Investment Decisions – Investment Evaluation criteria – Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI), Payback Period, Accounting Rate of Return (ARR) – NPV and IRR comparison.

UNIT-III

Operating and Financial Leverage – Measurement of Leverages – Effects of Operating and Financial Leverage on Profit – Analyzing Alternate Financial Plans - Combined Financial and Operating Leverage – Capital Structure Theories - Traditional approach - M.M. Hypotheses – without Taxes and with Taxes – Net Income Approach (NI) – Net Operating Income Approach (NOI) - Determining capital structure in practice.

UNIT- IV

Dividend Policies – Issues in Dividend Decisions – Relevance Theory – Walter's Model – Gordon's Model – Irrelevance Theory – M-M hypothesis - Dividend Policy in Practice – Forms of Dividends – Stability in Dividend Policy – Corporate Dividend Behaviour.

UNIT-V

Management of Working Capital – Significance and types of Working Capital – Calculating Operating Cycle Period and Estimation of Working Capital Requirements – Financing of Working Capital and norms of Bank Finance – Sources of Working capital – Factoring services– Various committee reports on Bank Finance – Dimensions of Working Capital Management.

[Note: Distribution of Questions between Problems and Theory of this paper must be 40:60 i.e., Problem Questions: 40 % & Theory Questions: 60 %]

REFERENCES

Khan MY, Jain PK, BASIC FINANCIAL MANAGEMENT, *Tata McGraw Hill, Delhi*, 2005.

Chandra, Prasanna. FINANCIAL MANAGEMENT, *Tata McGraw Hill, Delhi*.

Bhabatosh Banerjee, FUNDAMENTALS OF FINANCIAL MANAGEMENT, *PHI, Delhi*, 2010

Chandra Bose D, FUNDAMENTALS OF FINANCIAL MANAGEMENT, *PHI, Delhi*, 2010

Preeti Singh, FUNDAMENTALS OF FINANCIAL MANAGEMENT, *Ane*, 2011.

PGDFM - II Semester

PAPER -VIII

MERCHANT BANKING AND FINANCIAL SERVICES

Paper code: PGFM2003

Objectives

- To examine Financial Services management as an important and contemporary area of financial management
- To understand the various financial services and their future and
- To determine the most suitable financial service, given the situations and contingencies

UNIT-I

Financial Services Industry – Emergence – Developments – Fund Based and Non-fund based activities – modern activities – New Financial Products and Services, Innovative Financial Instruments – Challenges Ahead.

UNIT-II

Merchant Banking – Issues Management Intermediaries – Merchant Bankers/Lead Managers – Underwriters – Bankers, Brokers and Registrars to an Issue and Share Transfer Agents– Debenture /Trustees – Portfolio Managers – Issue Management Activities/Procedures – Eligibility norms – Pricing of Issues – Promoters' contribution – Issue of Indian Depository Receipts (IDR) – Issue Advertisement – Issue of Debt Instruments – Book building – Green shoe Option – Initial Public Offer through Stock Exchange Online System – Preferential Issues – Qualified Institutional Placement.

UNIT-III

Factoring and Forfeiting - Modus Operandi, types, functions – Factoring in India - Bills Discounting – Real estate Industry – Housing Finance – Housing Finance system – National Housing Bank – Refinance scheme for HFCs – Asset Liability Management – Securitisation – Mortgage-Based Securitisation – Reverse Mortgage Loan (RML) Securitisation of Standard Assets.

UNIT-IV

Mutual Funds - Origin, Types of Mutual Funds, Importance, Mutual Funds Industry in India – SEBI's directives for Mutual Funds, Private Mutual Funds, Asst Management company – Unit Trust of India – Evaluation of Performance of Mutual Funds – Money Market Mutual Funds – RBI Guidelines – Venture Capital: Meaning, Origin, Importance, Methods, India Scenario.

UNIT-V

Insurance – Meaning, Types, Insurance Industry in India and related reforms – Other Financial Services – Credit Cards – Credit Rating: Regulatory framework – Credit Rating Agencies – Rating Process and Methodology – Rating symbols/Grades – Pension Plan.

REFERENCES

Khan, M.Y., FINANCIAL SERVICES, *Tata McGraw Hill, New Delhi, 2001.*

Gurusamy, MERCHANT BANKING AND FINANCIAL SERVICES, *Tata McGraw Hill, Delhi, 2009.*

PGDFM – II Semester

PAPER –IX INVESTMENT AND PORTFOLIO MANAGEMENT

Paper code: PGFM2004

Objectives

- To have understanding on investment and avenues of investment
- To have exposure on analysis techniques of capital market and
- To understand various theories of portfolio management

UNIT -I

Investment – Basics of Investment – Investment, Speculation and Gambling – Investment Categories – Investment avenues – Non marketable Financial Assets – Money Market Instruments – Bond/Debentures – Equity Shares – Schemes of LIC – Mutual Funds – Financial Derivatives – Real Assets – Real Estate – Art – antiques and others.

UNIT- II

Fundamental Security Analysis – Economic Analysis – significance and Interpretation of the Economic Indicators – Industry Analysis – Industry Growth Cycle - Company analysis – Marketing – Accounting policies – Profitability – Dividend Policy – Capital Structure – Financial Analysis – Operating Efficiency – Management – Fundamental Security Analysis – Changes in the Financing Patterns of Indian Companies – Debt-Equity Ratio for India Companies.

UNIT-III

Technical Analysis – Technical Tools - The Dow Theory – Primary Trend – The secondary Trend – Minor Trends – Support and Resistance Level – Indicators – Odd Lot Trading – Moving Average – Rate of Change – Charts – Technical indicators – Charting Techniques – Indicators of the Witchcraft Variety – Efficient Market Theory – Basic Concepts – Random-Walk Theory – Weak Form of EMH – Semi-strong Form – Strong Form – The Essence of the Theory – Market Inefficiencies.

UNIT-IV

Portfolio Analysis – Portfolio and Single asset Returns and Risk – Mean Variance Criterion – covariance – Beta (simple problems) – Portfolio Markowitz Model – simple Diversification – Risk and Return with Different correlation – Sharpe's Single Index Model – Sharpe's Optimal Portfolio – Construction of the Optimal Portfolio – Optimum Portfolio with short sales.

UNIT-V

Asset Pricing Model Portfolio Evaluation – Capital Asset Pricing Model (CAPM) – Security Market Line – Assumptions – Arbitrage Pricing Model (APT) – Portfolio Performance Models – Sharpe's Performance Index – Treynor's Performance Index – Jensen's Performance Index.

REFERENCES

Punithavathy Pandian, SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT, *Vikas, Delhi*.

Kevin .S, SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT, *PHI, Delhi, 2011*

Yogesh Maheswari, INVESTMENT MANAGEMENT, *PHI, Delhi, 2011*

Bhalla V K, INVESTMENT MANAGEMENT: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT, *S Chand, Delhi, 2009*

Prasanna Chandra, PORTFOLIO MANAGEMENT, *Tata McGraw Hill, New Delhi, 2008*.

PGDFM – II Semester

**PAPER - X
GLOBAL FINANCIAL MANAGEMENT**

Paper code: PGFM2005

Objectives

- To have exposure on International Monetary System
- To understand about Balance of Payments and currency Exposure and
- To introduce and familiarize the International Financial Markets and Instruments.

UNIT-I

Globalisation - Implications of Globalisation – Goals of International Financial Management - scope of International Finance – International Monetary System – Bimetallism – Gold Standard – Bretton Woods System – Floating Exchange Rate Regime – European Monetary System – IMF – WTO – GATT .

UNIT-II

Balance of Payments – The Current Account – The Capital Account – significance - Balance of Payments in the World – Balance of Payments Account of India

UNIT-III

International Financial Markets – Sources of International Funds – Multilateral Development Banks – Governments/ Governmental Agencies – International Banks – Security Markets Instruments of International Financial Markets– International Equities – GDRs – ADRs - International Money Market and Bond Market Instruments – Euro Bonds – Repos – Euro Commercial Paper – Medium Term Notes – Floating Rate Notes – Loan Syndicates – Euro Deposits – Euro Issues in India.

UNIT-IV

Currency Risk and Exposure – Types of Currency Risk – Management of Currency Risk – Concept and Measurement of Transaction Exposure - Techniques of Transaction Exposure Management – Translation Exposure – methods – Transaction Exposure Vs. Translation Exposure – Exchange Risk Management –Operating Exposure – measuring and managing Operating Exposure.

UNIT-V

Foreign Direct Investment (FDI) – Forms of FDIs – FDI in World – purpose of overseas investment – Benefits to the Host Countries – Effects of FDI – Political Risk.

REFERENCES

Joseph Anbarasu, GLOBAL FINANCIAL MANAGEMENT, *Ane, Delhi, 2010*

Kevin S, FUNDAMENTALS OF INTERNATIONAL FINANCIAL MANAGEMENT, *PHI, Delhi, 2010*

Jeff Madura, INTERNATIONAL FINANCIAL MANAGEMENT, *Cengage learning, Delhi, 2008*