ShriVaishnavVidyapeethVishwavidyalaya, Indore

M.COM. PROGRAM (2020-22)

SEMESTER-IV

MCOM401 INVESTMENT ANALYSES AND PORTFOLIO MANAGEMENT

SUBJECT CODE	SUBJECT NAME	TEACHING & EVALUATION SCHEME								
		THEORY			PRACTICAL		L	T	P	CREDITS
		END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment*				
MCOM401	Investment Analyses and Portfolio Management	**60**	**20**	**20**	**-**	**-**	**4**	**-**	**-**	**4**

Legends: **L -** Lecture; **T -** Tutorial/Teacher Guided Student Activity; **P** – Practical; **C -** Credit;
***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Objectives

The objectives of this course is to provide the students in depth understanding of investment techniques as applied to various forms of securities and acquaint them with the functioning of mutual funds, investment strategies and portfolio management services.

Examination Scheme

The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist of five questions. Each question will carry 12 Marks and consist of four questions, out of which student will be required to attempt either question number (a) and (b) or question number (c) and (d). Each question i.e. (a), (b), (c) and (d) will be of 6 marks.

Course Outcomes

1. Provide understanding of the concepts used in investment analysis
2. Identification of effective investment techniques
3. Understanding of importance of Portfolio Management

COURSE CONTENT

Unit I: Introduction

1. Introduction: Concept of Investment, Investment V/S Speculation
2. Financial and Economic Aspect of Investment
3. Types, Characteristics and Objectives of Investment
4. Operations of Indian Stock Market; New Issue Market; Listing of Securities

Unit II: Risk and Return

1. Risk Return: Concept Of Risk and Return
2. Systematic and Unsystematic Risk
3. Multifactor Model of Risk & Return, Efficient capital Markets
4. Concept of Beta, Capital Assets Pricing Model

Unit III: Valuation of securities

1. Securities Valuation: An Introduction to Security Valuation
2. Macroeconomic & Market Analysis
3. Valuation of Bonds: Bond Fundamentals, Bond Valuation Models: PV Model
4. Bonds Yield, Measures Duration
5. Modified Duration
6. Concept of NAV

Unit IV: Bond Valuation

1. Bond Value Theorem. Valuation of Equity: Constant Growth Model
2. Multi-Stage Growth Model, P/E Ratio and Earnings Multiplier Models
3. Valuation Of Preference Shares
4. Valuation of Warrants, Rights Issued
5. Portfolio Concepts: Portfolio and Security Returns
6. Factor Models and Arbitrage Pricing Theory. Portfolio Investment Process.

Unit V: Fundamental Analysis and Technical Analysis

1. Fundamental Analysis and Technical Analysis
2. Dow Theory, Elliott Wave Theory, Efficient Market Theories
3. Portfolio Evaluation: Measures of Returns, Formula, Plans, Sharpe and Treynor Measures
4. Portfolio Management Strategies: Bond Portfolio Management Strategies and Equity Portfolio Management Strategies

Suggested Readings

1. Donald, E. Fischer and Ronald, J. Jordan (2007). ***Security Analysis and Portfolio management***. Pearson Education.
2. Bhall, V.K (2008). ***Investment Management***. New Delhi: Sultan Chand.
3. Chandra, Prasanna (2009). ***Investment Analysis and Portfolio Management***. New Delhi: TMH.
4. Avadhani, V. A. (2008) ***Securities Analysis and Portfolio Management***. Mumbai: Himalaya.
5. Sharpe, William F., Alexander Gordon J. and Bailey Jeffery V. (2009). ***Fundamentals of Investments***. New Delhi: Prentice Hall.
6. Reilly Frank K. and Brown Keith C. (2009), ***Investment Analysis Portfolio Management***. Cengage learning.
7. Jones, Charles P. (2009). ***Investments – Analysis and Management***. New York: John Wiley.
8. Bhat, Sudhindra (2009). ***Security Analysis and Portfolio Management***. New Delhi:

Excel Publication.
9. Hull John C. (2009). ***Options, Futures and other Derivatives***. Pearson Education.

MCOM402 INTERNATIONAL FINANCE

SUBJECT CODE	SUBJECT NAME	TEACHING & EVALUATION SCHEME								
		THEORY			PRACTICAL		L	T	P	CREDITS
		END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment*				
MCOM402	International Finance	60	20	20	-	-	4	-	-	4

Legends: **L -** Lecture; **T -** Tutorial/Teacher Guided Student Activity; **P** – Practical; **C -** Credit;
***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Objective

This course helps students understand the conceptual framework of International finance and use thereof in making financial decisions.

Examination Scheme

The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist of five questions. Each question will carry 12 Marks and consist of four questions, out of which student will be required to attempt either question number (a) and (b) or question number (c) and (d). Each question i.e. (a), (b), (c) and (d) will be of 6 marks.

Course Outcomes

1. To familiarize the students with the use of international finance in relation to practical and general.
2. To apply the international finance framework to a business.
3. To Guide students about the importance and utility of international finance in Business.

COURSE CONTENT

Unit I: International Monetary and Financial System: Importance of international finance; Bretton woods conference and afterwards, IMF and the World Bank; European monetary system– meaning and scope.

Unit II: Balance of Payment and International Linkages: Balance of payments and its components; International flow of goods, services and capital; coping with current account deficit. International capital and money market; Money and capital market instruments; salient features of different international markets; Arbitrage opportunities; Integration of markets; Role of financial intermediaries.

Unit III: Foreign Exchange Markets: Determining exchange rates; Fixed and flexible exchange rate system; Exchange rate theories; Participants in the foreign exchange markets; Foreign exchange market – cash and spot markets; Exchange rate quotes; LERMS; Factors affecting exchange rates – spot rates, forward exchange rates, forward exchange contracts; Foreign exchange and currency futures; Exchange rate arrangement in India; Exchange dealing and currency possession; information and communication; Foreign exchange trades.

Unit IV: Foreign exchange Risk: Transaction exposure, translation exposure and economic exposure; Management of exposures- internal techniques, netting, marketing, leading and lagging, pricing policy, asset and liability management and techniques. Management of Risk in Foreign Exchange Markets- Forex derivatives- swaps, future and option and forward contracts.

Unit V: International Capital and Money Market Instruments :GDRS, ADRs, IDRs, EURO bonds, Euro loans, Repos, CPs, floating rate instruments, loan syndication and Euro deposits. Multilateral Financial Institutions**:** Role of IMF, IBRD and other development banks; International investors and foreign investment institutions. Current Developments**:** International indebtedness; Capital account convertibility- pros and cons; Innovations in international financial instruments.

Suggested Readings

1. Apte, P.G. ***International Financial Management***, Tata McGraw Hill, New Delhi,
2. Buckley, Adrian: ***Multinational Financial***, Prentice Hall, NewDelhi.
3. Eitman, D.K. and A.I. Stenehill: ***Multinational Business cash Finance***, Addison Wesley, NewYork.

MCOM403 DERIVATIVES AND RISK MANAGEMENT

SUBJECT CODE	SUBJECT NAME	TEACHING & EVALUATION SCHEME								
		THEORY			PRACTICAL		L	T	P	CREDITS
		END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment*				
MCOM403	Derivatives and Risk Management	60	20	20	-	-	4		-	4

Legends: **L -** Lecture; **T -** Tutorial/Teacher Guided Student Activity; **P** – Practical; **C -** Credit;
***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Objective

The objective of the course is to provide an introduction to derivative securities, the arbitrage relationships associated with them

Examination Scheme

The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist 8 Questions, out of which student will be required to attempt any 5 questions.

Course Outcomes

1. Equip students with understanding of derivative security markets, including call and put options, futures and forward contracts, and swaps
2. Develop analytical and integrative thinking in understanding and implementing the risk management practices

COURSE CONTENT

Unit I: Introduction

1. Introduction, Futures and Forwards
2. Forward and Futures – A Quick Look
3. Hedging with Futures
4. Pricing of Futures and Arbitrage Conditions and Stock Index Futures

Unit II: Introduction, Types of Options,

1. Differences between Options and Futures
2. Pay Off of Various Options
3. Special Applications of Options

Unit III: Eligibility and criteria

1. NSE membership - Categories
2. Eligibility and criteria
3. Futures contract specifications, trading system
4. Placing orders, client broker relationship

5. Clearing, settlement; Risk management system through margins of different kinds
6. Clearing entities and Settlement mechanism

Unit IV: Principles of Option Pricing

1. Introduction, Principles of Option Pricing-Put Call Parity
2. The Binomial Model for Pricing of Options
3. The Black-Schools Model
4. Volatility and Implied Volatility from the Black –Schools Model

Unit V: Bond valuations, Price Yield relationship, Bond Price forecasting

1. Introduction to Options Greek and Basic Delta Hedging
2. Interest Rate Derivatives
3. SWAPS, Credit Derivatives and Risk Management with Derivatives

Suggested Readings

1. Vohra, N.D. and Bagri, B.R. (2009). ***Futures and Options***. New Delhi: Tata McGraw-Hill.
2. Redhead, Keith (2007). ***Financial Derivatives: An Introduction to Futures, Forward, Options.*** New Delhi. Prentice Hall of India.
3. Vohra, N.D. (2010). ***Futures and Options***. New Delhi: Tata McGraw Hill.
4. Varma, Jayanth (2010). ***Derivatives and Risk Management***. New Delhi: Tata McGraw Hill.
5. Clark, Gohraim (2008). ***International Financial management***. Cengage Learning
6. Srivastava, R. M. (2008). ***Multinational Financial Management.*** New Delhi: Excel books.
7. Bhalla, V.K. (2008). ***International Financial Management***: Text and Cases. New Delhi: Anmol Publications.

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MCOM404 ADVANCED AUDITING

SUBJECT CODE	SUBJECT NAME	TEACHING & EVALUATION SCHEME								
		THEORY			PRACTICAL		L	T	P	CREDITS
		END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment*				
MCOM404	Advanced Auditing	60	20	20	-	-	4	-	-	4

Legends: **L -** Lecture; **T -** Tutorial/Teacher Guided Student Activity; **P** – Practical; **C -** Credit;
***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Objective

To understand objective and concept of auditing and gain working knowledge of generally accepted auditing procedures and of techniques and skills needed to apply them in audit and attestation engagements.

Examination Scheme

The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist 8 Questions, out of which student will be required to attempt any 5 questions.

Course Outcomes

1. To understand and evaluate accounting and auditing related issues from an ethical perspective
2. To work effectively in team environments.
3. To plan conduct, and present investigations, both orally and in writing.

COURSE CONTENT

Unit-I: Introduction - Definition, objective and scope of Audit, Advantages and limitation of audit, Types of Audit, Basic Principles of governing audit. Advantages to different sectors of society.

Unit-II: P.B.A. and Audit Programme, Internal Check System: Routine Checking, Internal Check and Test Checking. Internal Control and Audit Procedure.

Unit-III: Verification and valuation of Assets, Depreciation and Reserves.. Vouching of cash transactions

Unit-IV: Company audit: Appointment, Remuneration, Rights and Duties of an Auditor, Divisible Profits and Dividend, Auditor’s report: Cleaned and Qualified report. Professional ethics and code of conduct.

Unit-V: Investigation: Objectives, Difference between audit and investigations, Process of Investigation, Special audit of Banking Companies, Educational, Non Profit Institutions and Insurance Companies, Co-operative Audit, Audit standards, Chartered Accounts Act.1949.

Suggested Readings

1. B.N. Tondan, ***A Hand book on Practical Auditing***: Sultan Chand & Sons, New Delhi.
2. Ravinder Kumar and Virendra Sharma, ***Auditing: Principles and Practices***, PHI Learning Pvt. Ltd.
3. Varsha Ainapure and Mukund Ainapure, ***Auditing and Assurance***, PHI Learning Pvt. Ltd.
4. T. J. Rana, ***Auditing,*** Sudhir Prakashan

MBAI401C STRATEGIC MANAGEMENT

SUBJECT CODE	SUBJECT NAME	TEACHING & EVALUATION SCHEME								
		THEORY			PRACTICAL		L	T	P	CREDITS
		END SEM University Exam	Two Term Exam	Teachers Assessment*	END SEM University Exam	Teachers Assessment				
MBAI401C	Strategic Management	60	20	20	-	-	4	-	-	4

Legends: **L -** Lecture; **T -** Tutorial/Teacher Guided Student Activity; **P** – Practical; **C -** Credit;
***Teacher Assessment** shall be based on following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Objectives
The objective of teaching this course is to enable students to integrate knowledge of various functional areas and other aspects of management, required for perceiving opportunities and threats for an organization in the long run and second generation planning and implementation of suitable contingency strategies for seizing / facing these opportunities & threats.

Examination Scheme
The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist of two sections A and B. Section A will carry 36 Marks and consist of five questions, out of which student will be required to attempt any three questions. Section B will comprise of one or more cases / problems worth 24 marks.

Course Outcomes
1. Students will develop understanding of project planning and ability to monitor and control projects and risk involved. In addition, they become familiar with tools and techniques used in managing projects.

Unit I: Introduction
1. Meaning, Need and Process of Strategic Management
2. Business Policy, Corporate Planning and Strategic Management
3. Single and Multiple SBU organizations
4. Strategic Decision–Making Processes – Rational–Analytical
5. Intuitive-Emotional, Political – Behavioral; Universality of Strategic Management
6. Strategists at Corporate Level and at SBU Level
7. Interpersonal, Informational and Decision Roles of a Manager

Unit II: Mission, Business Definition and Objectives
1. Need, Formulation and changes
2. Hierarchy of objectives, Specificity of Mission and Objectives
3. SWOT Analysis, General, Industry and International Environmental Factors
4. Analysis of Environment, Diagnosis of Environment – factors influencing it
5. Environmental Threat and Opportunity Profile (ETOP)
6. Internal Strengths and Weaknesses

7. Factors affecting; Techniques of Internal Analysis; Diagnosis of Strengths and Weaknesses; Strategic Advantage Profile (SAP)

Unit III: Strategy Alternatives, Grand Strategies and their sub strategies

1. Stability, Expansion, Retrenchment and Combination
2. Internal and External Alternatives
3. Related and Unrelated Alternatives
4. Horizontal and Vertical Alternatives
5. Active and Passive Alternatives
6. International Strategy Variations

Unit IV: Strategic Choice and Analysis

1. Managerial Choice Factors, Choice Processes – Strategic Gap Analysis
2. ETOP-SAP Matching, BCG Product – Portfolio Matrix
3. G.E. Nine Cell Planning Grid; Contingency Strategies
4. Prescriptions for choice of Business Strategy; Choosing International Strategies

Unit V: Strategy Implementation, Concept, Barriers, Implementation Process

1. Project & Procedural Implementation
2. Resource Allocation; Structural Implementation
3. Plan and Policy Implementation; Leadership Implementation
4. Behavioral Implementation, Implementing Strategy in International Setting

Suggested Readings

1. Kazmi, Ajhar (2009***). Strategic Management and Business Policy***. New Delhi: Tata McGraw Hill.
2. Lomash, Sukul & Mishra P.K. (2003).***Business Policy & Strategic Management***. New Delhi: Vikas Publication.
3. Trehan, Alpana (2010).***Strategic Management***. Dreamtech: Wiley.
4. Nag, A. (2011). ***Strategic Management. Analysis. Implementation. Control***. Delhi: Vikas Publication.
5. Parthasarthy, Raghavan (2008). ***Fundamentals of Strategic Management***. India: Wiley.
6. Pankaj, Ghemawat (2006).***Strategy and the Business Landscape***. Pearson.
7. Haberberg, Adrian & Rieple Alison (2010).***Strategic Management***. New York: Oxford Press.

1. Tushman (2010.) ***Managing Strategic Innovation& Change***. New York : Oxford Press