

BHARATHIAR UNIVERSITY: COIMBATORE – 641 046  
 SCHOOL OF DISTANCE EDUCATION (SDE)  
 for the SDE students admitted during the academic year 2011-12 & Onwards

**M.B.A - Banking and Finance**  
 (Annual Pattern)

<u>Paper</u>	<u>Name of the Subject</u>	<u>Marks</u>
<b><u>First Year</u></b>		
1.1	Principles of Management and Organisational Behaviour	100
1.2	Managerial Economics	100
1.3	Accounting and Finance for Managers	100
1.4	Marketing Management	100
1.5	Human Resource Management	100
1.6	Quantitative Techniques for Management	100
1.7	Research Methods for Management	100
1.8	Corporate Communication	100
1.9	Operations Management	100
<b><u>Second Year</u></b>		
2.1	Financial Institutions and Services	100
2.2	Management Control Systems	100
2.3	Banking and Insurance Marketing	100
2.4	Management of Banking and Insurance Companies	100
2.5	Commercial Banking and Role of RBI	100
2.6	Mutual Fund Management	100
2.7	Merchant Banking	100
2.8	Business Environment and Ethics	100
2.9	Strategic Management	100
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<b>Total</b>		<b>1800</b>
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## **1.1.Principles of Management and Organizational Behaviour**

### **UNIT I**

Management : Science, Theory and Practice - The Evolution of Management Thought and the Patterns of Management Analysis - Management and Society : Social Responsibility and Ethics - Global and Comparative Management - The Basis of Global Management – Functions of Management-The Nature and Purpose of Planning - Objectives - Strategies, Policies and Planning Premises - Decision Making - Global Planning.

### **UNIT II**

The Nature of Organizing - Organizational Structure : Departmentation - Line/Staff Authority and Decentralization - Effective Organizing and Organizational Culture - Global Organizing. Co-ordination functions in Organisation - Human Factors and Motivation - Leadership - Committees and group Decision Making - Communication - Global Leading.

### **UNIT III**

The System and Process of Controlling - Control Techniques and Information Technology - Global Controlling and Global Challenges – Direction Function – Significance.

### **UNIT IV**

Organisational Behaviour : History - evolution, Challenges & opportunities, contributing disciplines, management functions and relevance to Organisation Behaviour. Organizational Behaviour responses to Global and Cultural diversity.

Personality - Determinants, structure, behaviour, assessment, psycho-analytical social learning, job-fit, trait theories.

Emotions and Emotional Intelligence as a managerial tool. Attitudes - relationship with behaviour, sources, types, consistency, work attitudes, values - importance, sources, types, ethics and types of management ethics. Perception - Process, Selection, Organisation Errors, Managerial implications of perception. Learning - classical, operant and social cognitive approaches. Implications of learning on managerial performance.

### **UNIT V**

Stress - Nature, sources, Effects, influence of personality, managing stress- Conflict - Management, Levels, Sources, bases, conflict resolution strategies, negotiation. Foundations of group behaviour : team decision making. Issues in Managing teams.

Organisational change - Managing planned change. Resistance to change - Approaches to managing organisational change - Organisational Development - values - interventions, change management- Organisational culture - Dynamics, role and types of culture and corporate culture.

### **REFERENCE**

1. Koontz & Weirich, Essentials of Management, Tata McGraw Hill Publishing Company, New Delhi.
2. Stoner, Freeman & Gilbert, Management, PHI, 6<sup>th</sup> Edition.
3. Robbins.S.P., Fundamentals of Management, Pearson, 2003.
4. Robbins.S. Organisational Behaviour, X edn., Prentice-Hall, India.
5. Umasekaran, Organisational Behaviour.
6. VSP Rao, V Hari Krishna – Management: Text and Cases, Excel Books, I Edition, 2004

## **1.2. Managerial Economics**

### **UNIT I**

Managerial Economics - meaning, nature and scope - Managerial Economics and business decision making - Role of Managerial Economist - Fundamental concepts of Managerial Economics- Demand Analysis - meaning, determinants and types of demand - Elasticity of demand.

### **UNIT II**

Supply meaning and determinants - production decisions - production functions - Isoquants, Expansion path - Cobb-Douglas function.  
Cost concepts - cost - output relationship - Economies and diseconomies of scale - cost functions.

### **UNIT III**

Market structure - characteristics - Pricing and output decisions - methods of pricing - differential pricing - Government intervention and pricing.

### **UNIT IV**

Profit - Meaning and nature - Profit policies - Profit planning and forecasting - Cost volume profit analysis - Investment analysis.

### **UNIT V**

National Income - Business cycle - inflation and deflation - balance of payments - Monetary and Fiscal Policies

### **REFERENCE**

1. Joel Dean - Managerial Economics, Prentice Hall/Pearson.
2. Rangarajan - Principles of Macro Economics, Tata McGraw Hill.
3. Athmanand.R., Managerial Economics, Excel, New Delhi, 2002.
4. P.L.Mehta, Managerial Economics, S.Chand and Sons Company Ltd., New Delhi, 2004.
5. Peterson Lewis, Managerial Economics, Prentice Hall of India, New Delhi, 2002.

## **1.3. Accounting and Finance for Managers**

### **UNIT I**

Financial Accounting - Definition - Accounting Principles - Concepts and conventions - Trial Balance – Final Accounts (Problems) - Depreciation Methods-Straight line method, Written down value method.

### **UNIT II**

Financial Statement Analysis - Objectives - Techniques of Financial Statement Analysis: Accounting Ratios: construction of balance sheet using ratios (problems)-Dupont analysis. Fund Flow Statement - Statement of Changes in Working Capital - Preparation of Fund Flow Statement - Cash Flow Statement Analysis- Distinction between Fund Flow and Cash Flow Statement. Problems

**UNIT III**

Cost Accounting - Meaning - Distinction between Financial Accounting and Cost Accounting - Cost Terminology: Cost, Cost Centre, Cost Unit - Elements of Cost - Cost Sheet - Problems. Budget, Budgeting, and Budgeting Control - Types of Budgets - Preparation of Flexible and fixed Budgets, master budget and Cash Budget - Problems -Zero Base Budgeting.

Marginal Costing - Definition - distinction between marginal costing and absorption costing - Break even point Analysis - Contribution, p/v Ratio, margin of safety - Decision making under marginal costing system-key factor analysis, make or buy decisions, export decision, sales mix decision-Problems

**UNIT IV**

Objectives and functions of Financial Management - Role of Financial Management in the organisation - Risk-Return relationship- Time value of money concepts - Indian Financial system - Legal, Regulatory and tax framework. Sources of Long term finance - Features of Capital market development in India - Role of SEBI in Capital Issues. Capital Budgeting - methods of appraisal - Conflict in criteria for evaluation - Capital Rationing - Problems - Risk analysis in Capital Budgeting.

**UNIT V**

Cost of Capital - Computation for each source of finance and weighted average cost of capital -EBIT -EPS Analysis - Operating Leverage - Financial Leverage - problems. Capital Structure Theories - Dividend Policies - Types of Divided Policy. Working Capital Management - Definition and Objectives - Working Capital Policies - Factors affecting Working Capital requirements - Forecasting Working Capital requirements (problems) - Cash Management - Receivables Management and - Inventory Management - Working Capital Financing - Sources of Working Capital and Implications of various Committee Reports.

**REFERENCE**

1. Advanced Accountancy - R.L.Gupta and Radhaswamy
2. Management Accounting - Khan and Jain
3. Management Accounting - S.N.Maheswari
4. Prasanna Chandra, "Financial Management – Theory and Practice", Tata McGraw Hill, New Delhi (1994).
5. I.M.Pandey, "Financial Management", Vikas Publishing, New Delhi.

Note : 80% of the questions shall be theory based  
20% of the questions shall be problems.

## **1.4. Marketing Management**

### **UNIT I**

Marketing Concepts and Tasks, Defining and delivering customer value and satisfaction - Value chain - Delivery network, Marketing environment, Adapting marketing to new liberalised economy - Digitalisation, Customisation, Changing marketing practices, e-business - setting up websites; Marketing Information System, Strategic marketing planning and organization.

### **UNIT II**

Buyer Behaviour, Market Segmentation and Targeting, Positioning and differentiation strategies, Product life cycle strategies, New product development, Product Mix and Product line decisions, Branding and Packaging, Price setting - objectives, factors and methods, Price adapting policies, Initiating and responding to price changes.

### **UNIT III**

Marketing channel system - Functions and flows; Channel design, Channel management - Selection, Training, Motivation and evaluation of channel members; Channel dynamics - VMS, HMS, MMS; Market logistics decisions.

### **UNIT IV**

Integrated marketing communication process and Mix; Advertising, Sales promotion and Public relation decisions. Direct marketing - Growth, Benefits and Channels; Telemarketing; Salesforce objectives, structure, size and compensation.

### **UNIT V**

Identifying and analysing competitors, Designing competitive strategies for leaders, challengers, followers and nichers : Customer Relationship marketing - Customer database, Data warehousing and mining. Attracting and retaining customers, Customerism in India, Controlling of marketing efforts.

Global Target market selection, standardization Vs adoption, Product, Pricing, Distribution and Promotional Policy.

### ***REFERENCE***

1. Marketing Management - Philip Kotler - Pearson Education/PHI, 2003.
2. Marketing Management - Rajan Saxena - Tata McGraw Hill, 2002.
3. Marketing Management - Ramasamy & Namakumari - Macmillan India, 2002.
4. Case and Simulations in Marketing - Ramphal and Gupta - Goltatia, Delhi.
5. Marketing Management – S.Jayachandran - TMH, 2003.

## **1.5. Human Resource Management**

### **UNIT I: Human Resource Function**

Human Resource Philosophy – Changing environments of HRM – Strategic human resource management – Using HRM to attain competitive advantage – Trends in HRM – Organisation of HR departments – Line and staff functions – Role of HR Managers.

## **UNIT II: Recruitment & Placement**

Job analysis : Methods - IT and computerised skill inventory - Writing job specification - HR and the responsive organisation.

Recruitment and selection process : Employment planning and forecasting - Building employee commitment : Promotion from within - Sources, Developing and Using application forms - IT and recruiting on the internet.

Employee Testing & selection : Selection process, basic testing concepts, types of test, work samples & simulation, selection techniques, interview, common interviewing mistakes, Designing & conducting the effective interview, small business applications, computer aided interview.

## **UNIT III: Training & Development**

Orientation & Training: Orienting the employees, the training process, need analysis, Training techniques, special purpose training, Training via the internet.

Developing Managers: Management Development - The responsive managers - On-the-job and off-the-job Development techniques using HR to build a responsive organisation. Management Developments and CD-Roms - Key factor for success.

Performance appraisal: Methods - Problem and solutions - MBO approach - The appraisal interviews - Performance appraisal in practice.

Managing careers: Career planning and development - Managing promotions and transfers.

## **UNIT IV: Compensation & Managing Quality**

Establishing Pay plans : Basics of compensation - factors determining pay rate - Current trends in compensation - Job evaluation - pricing managerial and professional jobs - Computerised job evaluation.

Pay for performance and Financial incentives : Money and motivation - incentives for operations employees and executives - Organisation wide incentive plans - Practices in Indian organisations.

Benefits and services : Statutory benefits - non-statutory (voluntary) benefits - Insurance benefits - retirement benefits and other welfare measures to build employee commitment.

## **UNIT V: Labour relations and employee security**

Industrial relation and collective bargaining : Trade unions - Collective bargaining - future of trade unionism. Discipline administration - grievances handling - managing dismissals and separation.

Labour Welfare : Importance & Implications of labour legislations - Employee health - Auditing HR functions, Future of HRM function.

**REFERENCE**

1. Gary Dessler, "Human Resource Management", Seventh edition, Prentice-Hall of India P.Ltd., Pearson.
2. David A. DeCenzo & Stephen P.Robbins, Personnel/Human Resource Management, Third edition, PHI/Pearson.
3. VSP Rao, Human Resource Management: Text and cases, First edition, Excel Books, New Delhi - 2000.
4. Dr. R.Venkatapathy & Assissi Menacheri, Industrial Relations & Labour Welfare, Adithya Publications, CBE, 2001.
5. Robert L.Gibson and Marianne H.Mitchell, Introduction to Counseling and Guidance, VI edition, PHI, 2005.

**1.6. Quantitative Techniques for Management****UNIT I**

QT – Introduction – Measures of Central Tendency – Mean, Median, Mode.

Mathematical Models – deterministic and probabilistic – simple business examples – OR and optimization models – Linear Programming – formulation – graphical solution –simplex – solution.

**UNIT II**

Transportation model – Initial Basic Feasible solutions – optimum solution for non – degeneracy and degeneracy model – Trans-shipment Model – Assignment Model – Travelling Salesmen problem.

**UNIT III**

Network Model – networking – CPM – critical path – Time estimates – critical path – crashing, Resource levelling, Resources planning. Waiting Line Model – Structure of model – M/M/1 for infinite population.

**UNIT IV**

Probability – definitions – addition and multiplication Rules (only statements) – simple business application problems – probability distribution – expected value concept – theoretical probability distributions – Binomial, Poison and Normal – Simple problems applied to business.

**UNIT V**

Inventory Models – Deterministic – EOQ – EOQ with Price Breaks – Probabilistic Inventory Models - Probabilistic EOQ model – Game theory-zero sum games: Arithmetic and Graphical Method.

Simulation – types of simulation – Monte Carlo simulation – simulation problems. Decision Theory – Pay off tables – decision criteria – decision trees.

**REFERENCE**

1. Statistics for Management – Richard L Levin & Daid S Rubin
2. Statistical Methods – S P Gupta
3. Operations Research – Kanti Swarup, Gupta And Man Mohan
4. Operations Research – Dr. J.K. Sharma Macmillan Indian Ltd.
5. U.K. Srivastava, G.V. Shenoy, S. C. Sharma, “Quantitative Techniques for Managerial Decision”, Second Edition, Prentice Hall of India

Note : 80% of the questions shall be theory based  
20% of the questions shall be problems.

### **1.7. Research Methods for Management.**

#### **UNIT I**

Research - meaning - scope and significance - Types of research - Research Process - Characteristics of good research - Scientific method - Problems in research - Identifying research problem – concepts, constructs and theoretical framework.

#### **UNIT II**

Hypothesis:- meaning - sources - Types - formulation Research design - Types - case study - features of good design - measurement - meaning - need Errors in measurement - Tests of sound measurement Techniques of measurement - scaling Techniques - meaning - Types of scales - scale construction techniques.

#### **UNIT III**

Sampling design - meaning - concepts - steps in sampling - criteria for good sample design - Types of sample designs - Probability and non-probability samples. Data collection:- Types of data - sources - Tools for data collection methods of data collection - constructing questionnaire - Pilot study - case study - Data processing:- coding - editing - and tabulation of data - Data analysis.

#### **UNIT IV**

Test of Significance:- Assumptions about parametric and non-parametric tests. Parametric Test - T test, F Test and Z test - Non Parametric Test - U Test, Kruskal Wallis, sign test. Multivariate analysis-factor, cluster, MDS, Discriminant analysis. (NO Problems). SPSS and its applications.

#### **UNIT V**

Interpretation - meaning - Techniques of interpretation - Report writing:- Significance - Report writing:- Steps in report writing - Layout of report - Types of reports - Oral presentation - executive summary - mechanics of writing research report - Precautions for writing report - Norms for using Tables, charts and diagrams - Appendix:- norms for using Index and Bibliography.

#### **REFERENCE**

1. Rao K.V. Research methods for management and commerce - sterling
2. Zikmund, Business Research Methods
3. Kothari C.R.- Research methodology
4. Donald R.Cooper and Pamela S.Schindler - Business Research Methods - Tata McGraw Hill.
5. Uma Sekaran, Research Methods for Business, Wiley Publications.

Note : 80% of the questions shall be theory based  
20% of the questions shall be problems.



## **1.8. CORPORATE COMMUNICATION**

### **Unit 1:**

Communication basics – Business Communication – components – Types – formal communication network – Work team communication – variables – goal – conflict resolution – non – verbal communication – Cross cultural communication – Business meetings – Business Etiquette.

### **Unit 2:**

Understanding Corporate Communication – Employee Communication – Managing Government Relations – Writing for Media and Media Relations

### **Unit 3:**

Corporate Communication in Brand Promotion – Financial Communication – Crises Communication.

### **Unit 4:**

Report writing: Characterizing & business reports – Types and forms & reports – Project proposals – collection of data – tables constitution – charts – writing the report – documenting the sources – proof reading.

### **Unit 5:**

Business Presentation: Written and oral presentation – work – team presentation – Delivering the business presentation visual aids – slides – electronic presentation – hand-outs – delivering the presentation – career planning – preparing Resume – job applications – preparation for a job interview – employment interviews – follow-up.

### **References:**

1. Scot Ober, Contemporary business communication, fifth edition, biztantra.
2. Lesiler & Flat lay, Basic Business communication. Tata Mc Graw Hill.

## **1.9. OPERATIONS MANAGEMENT**

**UNIT I :** Operations Management – Meaning – Importance – historical contributions – System view of OM - Operation strategy and competitiveness - Functions of OM – types of production systems

**UNIT II :** Product design and process selection – Evaluation and Selection of appropriate Production and Operations technology. Product Design and process selection. Types of layout – analysis and selection of layout – Product and / or Process layout, Cellular, Lean and Agile manufacturing systems – Computer Integrated Manufacturing Systems - Assembly line balancing.

**UNIT III :** Production planning and control – meaning – functions – aggregate planning –

master production schedule (MPS) – Material requirement planning (MRP) – BOM – Capacity requirement planning (CRP) – Techniques – problems in MRP and CRP – an introduction to MRP II and ERP – Business Process Re-engineering - Total Productive Maintenance (TPM)

**UNIT IV :** Materials management – functions – material planning and budgeting – Value Analysis - purchase functions and procedure - inventory control – types of inventory – safety stock – order point – service level – inventory control systems – perpetual – periodic – JIT – KANBAN.

**UNIT V :** Total Quality Management Concept - Statistical Quality Control for Acceptance Sampling and Process Control – Concepts of O.C.C. Curve – Use of the O.C. Curve – Concept of Type I and Type II error – Quality movement – Quality circles — ISO Quality Certifications and types – Quality assurance – Six Sigma concept.

**References :**

1. Production and Operations Management – Everest E Adam & Ebert – PHI – publication fourth edition.
2. Operations Management (Theory and Problems ) – Joseph G Monks – McGraw Hill Intl.
3. Production and Operations Management – S N Chary – TMH Publications
4. Production and Operations Management – Pannerselvam, PHI
5. Lee J. Krajewski and Larry P. Ritzman, “Operations Management: Process and value Chains”, 7th Edition, PHI, 2007
6. Hunawalla and Patil – production and Operations Management, Himalaya.
7. Modern Production and operations management – E.S Buffa.
8. Lee J. Krajewski and Larry P. Ritzman, “ Operations Management: Strategy and Analysis”, Addison Wesley.
9. Chase, Aquilano & Jacobs “Production and Operations Management”,Tata McGraw Hill.

Questions : 40% of the questions shall be problems  
60% of the questions shall be theory based.

## **II Year**

### **2.1. Financial Institutions and Services**

#### **UNIT-I**

The basic Theoretical Framework: The financial system and its technology; The factors affecting the stability of the financial system; Development finance vs. universal banking; Financial intermediaries and Financial Innovation; RBI-Central Banking.

#### **UNIT-II**

The Financial Institutions: A brief historical perspective. An update on the performance of IDBI, ICICI, IFCI and SFCs, LIC & GIC- The banking Institutions: Commercial banks - the public and the private sectors - structure and comparative performance. The problems of competition; interest rates, spreads, and NPAs. Bank capital - adequacy norms and capital market support.

#### **UNIT-III**

The Non-banking financial institutions: Evolution, control by RBI and SEBI - A perspective on future role. Unit Trust of India and Mutual Funds. Reserve bank of India Framework for/Regulation of Bank Credit . Commercial paper: Features and advantages, Framework of Indian CP Market, effective cost/interest yield.

#### **UNIT-IV**

Insurance: The Economics of Insurance; Life Insurance; Reinsurance; The Insurance Industry and its regulation. Efficiency and the Structure of the Insurance Industry; Pension funds; Pension plans today.

#### **UNIT-V**

Financial services: Asset/fund based Financial services - lease finance, consumer credit and hire purchase finance, factoring definition, functions, advantages, evaluation and forfeiting, bills discounting, housing finance, venture capital financing. Fee-based / Advisory services: Stock broking, credit rating.

#### **REFERENCE BOOKS**

1. M.Y.Khan, Financial Services, Tata McGraw-Hill, New Delhi, 2004.
2. Harsh V.Verma, Marketing of Services, Global Business Press, 2002
3. Sames L .Heskett, Managing In the Service Economy, Harvard Business School Press, Boston, 2001.
4. M.Y.Khan, Indian Financial System, 4/eTata Mc Graw-Hill, New Delhi, 2004
5. Frank.J.Fabozzi & Franco Modigliani, Foundations of Financial Markets and Institutions, 3/e, Pearson Education Asia, 2002.
6. H.R Machiraju, Indian Financial Systems, Vikas Publishing House Pvt. Ltd.2002.
7. Meir Kohn, Financial Institutions and Markets, Tata McGraw-Hill, New Delhi, 2003.
8. Pathak : Indian Financial Systems – Pearson Education

## **2.2. MANAGEMENT CONTROL SYSTEM**

### **UNIT-I**

Characteristics of Management Control System - Evolution of control systems in an organization - Relating system to organizational objectives - Strategic Planning, Management Control and Operational Control - Goal Congruence - Cybernetic Paradigm of Grissinger - Functions of the Controller

### **UNIT-II**

Responsibility Centers - Types of Responsibility Centers - Expense Centers, Profit Centers and Investment Centers - Budgetary Control as a tool for Management Control Systems - Engineered, Discretionary and Committed Costs - Approaches to budgeting w.r.t. Engineered and Discretionary costs - Benchmarking and Total Cost Management

### **UNIT-III**

Transfer Pricing (Market based and Cost Based) - Related numerical problems - Return on Investment, Economic Value Added, Capital Budgeting and Ratio Analysis as a tool to management performance measurement

### **UNIT-IV**

Management Control Systems in Service Sector vis-à-vis in Manufacturing Sector – Financial and Non-financial performance measures with reference to Balance Score Card (Rock Water's Model)

### **UNIT-V**

Long Range Planning - Converting corporate vision into a long-range plan - Input Output Relationship Introduction to Audit Function as a control tool covering Financial Audit, Internal Audit and Cost Audit - Management Audit - Principles and Objectives A minimum 5 cases in designing and implementation of control systems

### **REFERENCE BOOKS**

1. Management Control Systems, 10th Ed. - Anthony and Govindrajana
2. Practical Auditing - B.N.Tandon
3. Cost Accounting - B.K.Bhar
4. Management Control Systems - Kirby
5. Financial Management - Prasanna Chandra

## **2.3. Banking and Insurance Marketing**

### **UNIT I**

Meaning & scope of marketing, modern concepts of marketing, marketing strategy, STP approach, differences between goods & services marketing, Marketing environment with references to Banking & Insurance in India, customers expectation & orientation with references to Banking & Insurance in India.

## **UNIT II**

The concept of Banking Marketing & insurance marketing, formulation of marketing mix for banking and insurance sector, Promotion strategy for banks and insurance sector. Relationship marketing, behavioural profile of customers, factors influencing customer behaviour, Basic problems in life insurance marketing.

## **UNIT III**

Product, New product development process, product life cycle, branding, methods of pricing and strategy with references to Banking & Insurance in India.

## **UNIT IV**

Promotion mix, managing the sales force, selling process, selling skill, distribution strategy with reference to banking and insurance sector.

## **UNIT V**

Delivery of services, the process and measurement, understanding of service quality and building customer relationship. Case studies from Banking & Insurance sector

### **Reference Book:**

1. C B Gupta & Rajan Nair, Marketing Management, Sultan Chand & Sons
2. S Arora, Marketing of Financial Services, Deep and Deep Publications
3. R Keshavanathan, Banking and Insurance Management, Academic Excellence Publications
4. Macmillan, Marketing of Banking Services, Macmillan India Limited.
5. P Saritha Srinivas, Marketing of Banking Financial Services, Serial Publications
6. P K Biswasroy, Marketing of Life Insurance Business, Discovery Publishing House.

## **2.4. Management of Banking and Insurance Companies**

### **UNIT I**

Management of Banking Companies: Principles of Banking, Debitisation of Bank, Creation of Money, Present Structure of Commercial Banking System in India, Transaction in Working during 1947 to 1991 and there after. Principles of Insurance: Definition of Insurance, Meaning and Definition of Risks

### **UNIT II**

Management Principles in Banks: Nature of Insurance Business, Nature of Insurance contract, Insurance Contract vs. Wage sing contract, Importance of Insurance, Uses of Insurance Business.

### **UNIT III**

Management of Deposit and Advances: Role of Development Officer, Meaning, Importance of Development Officer, Duties of Development Officer.

**UNIT IV**

Investment Report: Nature of Bank Investment, Role of Insurance Agents, Meaning and Definition of Agents, Recruitment and Selection of Agents, Training of Agents, Duties of Agents, Code of Conduct for Agents, Rights of Agents, Essential Qualifications for Successful Agents, Termination of Agents.

**UNIT V**

Management of Finance: Bank Accounts, Records, Reports, Statement of Advances, Profit and Loss Accounts, Balance Sheet and Reports. Management Principles in Insurance: Management Function in Insurance, Hierarchy, Individual and Group Behavior, Management of Personnel of Manager, Management Process of Selection, Training, Promotion etc.

**Reference Book:**

1. Vivek Gupta, Management of Insurance Companies, Icfai University Press.
2. Singh, Bhattacharya, Banking Sector Management, Discovery Publishing House.
3. Dr.C.Satyadevi, Financial Services - Banking and Insurance, S.Chand Publications
4. Mishra M N, S B Mishra, Insurance Principles and Practice, S.Chand Publications

**2.5. Commercial Banking and Role of RBI**

**Unit I:** Structure of Indian Financial System, Central Bank-Regulatory framework SWOT analysis of commercial Banks and challenges before commercial Banks

**Unit II:** Business environment of Commercial Banks. Definition of Customer and Banker. Various deposit schemes and customers Rights and duties of Bankers, Negotiable instrument act and various methods of granting advances viz Cash credit, bills discounting and term loan finance.

**Unit III:** Various forms of financing methods under non fund based limits viz Bank guarantees and letters of credit etc Appraisal of Fund Based limits and non fund based limits viz ratio analysis, MPBF method of assessing working capital requirement. Method of assessing non fund based limits

**Unit IV:** To discuss case study on working capital assessment and appraisal of Term loan appraisal - Various types of charges for creation of securities and Monitoring of advances

**Unit V:** Balance sheet management and Profit and Loss Management - Management of Non performing assets - Capital Adequacy under Basel II guidelines, Asset liability Management and various other risk management

**Reference Book:**

1. D K Murthy, Indian Financial System, IK International Private Limited.
2. H R Machiraju, Modern Commercial Banking, New Age International
3. Parameswaran R, Natarajan S, Kandasami K P, Banking Law and Practice, S.Chand Publications

## **2.6. Mutual Fund Management**

### **UNIT I:**

Introduction and evaluation of mutual funds: Concept and Role of MFs, evaluation of MFs in India, types of MFs, legal structure, other fund constitution and fund manages and scheme takeovers.

### **UNIT II:**

Regulation of MFs and MFs prospectus and balance sheet and offer document: Role of regulator in India and self regulatory organization ( SROs) and investors rights and obligations, contents of offer document, the key information memorandum.

### **UNIT III:**

Fund distribution and sales practices and investor services: Distribution channel, sales practices, application and redemption, investment plans and services.

### **UNIT IV:**

Accounting, valuation, taxation of MFs, measurement and evaluation of MF performance.

### **UNIT V:**

Management of MFs (Investor advisory services): Helping investors with financial plan and recommending financial planning strategies to investors; Strategies of investors in MF investing: Selecting the right investment products, understanding risk in fund investing and constructing model portfolio and selecting right fund.

### **Reference Books:**

1. Mutual Funds in India by Sadhak.H, Response Books New Delhi.
2. Mutual Fund Year Book 2000.
3. Financial services, ICFAI publication.
4. AMFI mutual fund testing programme by D.C. Anjari from AMFI publication.
5. Financial markets and services by Garden and Natarajan, HPH.
6. Financial services by Guru Prasad, Thomason Publication.

## **2.7. MERCHANT BANKING**

### **UNIT-I**

Overview of Indian Financial System-Development Since 1991- Role of Financial Intermediaries- Various Financial Intermediaries

### **UNIT-II**

Capital Market- Instruments-Traditional and Emerging (ECB, ADR, GDR) Capital Marketing in India-Operations in Primary Markets-Instruments involved-Role of SEBI.

### **UNIT-III**

Secondary Markets Stocks Exchanges in India-National Stock Exchange(NSE)—Stock Holding Corporation of India (SHCIL)-Share Trading- Introduction to Derivatives and Commodities-Scrip less Trading –E-Trading-Index/Futures Trading –Share Lending Scheme-Book Building –Buy back of shares-Mergers & Acquisition –Regulations.

### **UNIT-IV**

Money Market Nature and role of Money market in India – Instruments in Money Market viz, CPs, CDs,Bill of exchange, ICDs, Treasury Bill – Role of DFHI/STCI in Money Market – ECBs.

### **UNIT-V**

Financial Services – Credit rating – Factoring and forfeiting – leasing and hire purchasing- Securitization of debts-Housing finance – Merchant Banking services and functions, Mutual Funds-All SEBI guidelines related to topics covered above- Current development are expected to be covered, International operations in stock market.

### **REFERENCE BOOKS**

1. Indian Financial Services- M.Y. Khan
2. Marketing of Financial Services- V. A. Avdhani
3. Advance Financial Management- Kohak
4. SEBI Guidelines on Merchant Banking.

## **2.8. BUSINESS ENVIRONMENT AND ETHICS**

Objectives: To equip the students with the knowledge of emerging trends in social, political, ethical and legal aspects affecting business decisions.

UNIT 1 :- Business environment - The concept and significance - constituents of business environment - Business and society , Business & ethics - Social responsibility - Environmental pollution and control. Business and culture- Business and Government - Political system and its influence on business - Indian constitution - Directive Principles of State Policy.

UNIT II:- Managing Ethics- meaning and types – framework of organizational theories and sources – ethics across culture – factors influencing business ethics – ethical decision making – ethical values and stakeholders- ethics and profit. Corporate Governance – structure of Boards- reforms in Boards – compensation issues – ethical leadership.

UNIT III :- Globalisation of the economy – trends and issues, Politics and environment, MNCs and Government relationships- Introduction to GATT and WTO.



UNIT IV:- Fiscal policy - central finances and new fiscal policy - Direct and indirect Tax structure, VAT, MODVAT - Service Tax problems and reforms -Expenditure Tax - Public debts & deficit financing

UNIT V:- Legal environment of business – Monopolies – Company Law, Competition Act 2002. Foreign Exchange Management Act- Securities and exchange board of India Act - Customs and Central Excise Act - Central and State sales Tax - Consumer protection Act Patents Act.

#### REFERENCES:

Adhikari.m - Economic environment of Management  
Francis cherunnilam - Business environment  
Pruti s . economic & managerial environment in India  
Davis & Keith William c . frederik - business and society  
Amarchand d - Government and business  
Mankard \_ Business Economics  
A.N Agarwal \_ Indian economy  
Steiner and Steiner – Business Ethics – Mc-Graw Hill  
Raj Agarwal – Business Environment – Excel Books.

### **2.9. STRATEGIC MANAGEMENT**

Objectives: To help the students to learn the process of strategic decision making, implementation and evaluation of corporate policies

#### UNIT I

Corporate strategic planning - Mission - Vision of the firm - Development, maintenance and the role of leader - Hierarchical levels of planning - strategic planning process. Strategic management Practice in India, Family run corporates.

#### UNIT II

Environmental Analysis & Internal Analysis of Firm:

General environment scanning, competitive & environmental analysis - to identify opportunities & threat - Assessing internal environment through functional approach and value chain - identifying critical success factors - to identify the strength & weakness - SWOT audit - core competence -Stakeholders' expectations, Scenario-planning - industry analysis.

#### UNIT III

Strategy formulation

Generic strategies - Grand strategies - Strategies of leading Indian companies - The role of diversification -limit - means and forms. Strategic management for small organisations, non-profit organizations and large multi product and multiple market organisations.

**UNIT IV**

Tools of Strategy Planning and evaluation

Competitive cost dynamics - experience curve -BCG approach - cash flow implication. IA - BS matrix - A.D Little's Life -cycle approach to strategic planning - Business portfolio balancing - Assessment of economic contribution of strategy - Strategic funds programming.

**UNIT-V**

Strategy implement & Control:

Various approach to implementation of strategy - Matching organization structure with strategy - 7Smodel - Strategic control process - Du Pont's control model and other Quantitative and Qualitative tools - Balanced score card - M.Porter's approach for Globalization - Future of Strategic Management.

**Reference**

- 1.Pearce& Robinson, Strategic Management ,All Indian Travellers N.D
- 2.A.C. Hax And Ns, Strategic Management: An Integrative Perspective, Majifu, Prentice Hall
- 3.Micheal Porter, Competitive Strategies.
- 4.Micheal Porter, Competitive Advantage Of Nations.
- 5.Samul C. Certo And J.Paul Peter, Strategic Management, Second Edition. Concept And Application, Mcgraw Hill.
- 6.Georgy G.Dess And Alex Miller , Strategic Management, Mcgraw Hill.
- 7.Gerry Jhonson & Keven Scholes, Exploring Corparate Strategy: Text And Cases,Ph
- 8.Jaunch .L ,Rajive Gupta & William.F.Glueck ,Business Policy And Strategic Management ,Frank Bros & Co,20003
- 9.Fred R.David ,Strategic Management Concept &Cases ,Pearson,2003

**QUESTION PAPER PATTERN**

Time : 3 Hours

Max Marks : 100

**Answer any Five Questions**

(5 X 20 = 100 Marks)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
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