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 - Financial Management**
*(Annual Pattern)*

<table>
<thead>
<tr>
<th>Paper</th>
<th>Name of the Subject</th>
<th>Marks</th>
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<tr>
<td></td>
<td><strong>First Year</strong></td>
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<tr>
<td>1.1</td>
<td>Principles of Management and Organisational Behaviour</td>
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<td>1.2</td>
<td>Managerial Economics</td>
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<td>1.3</td>
<td>Accounting and Finance for Managers</td>
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<td>1.4</td>
<td>Marketing Management</td>
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<td>Human Resource Management</td>
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<td>Quantitative Techniques for Management</td>
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<td>Research Methods for Management</td>
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<td>Corporate Communication</td>
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<td>Operations Management</td>
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<td><strong>Second Year</strong></td>
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<td>Indian Capital Market and Financial System</td>
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<td>2.2</td>
<td>Management of Financial Services</td>
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<td>2.3</td>
<td>Capital Budgeting and Financial decisions</td>
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<td>2.4</td>
<td>Working capital management</td>
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<td>2.5</td>
<td>Risk management and Insurance</td>
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<td>2.6</td>
<td>Security Analysis and Portfolio Management</td>
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<td>2.7</td>
<td>International Financial Management</td>
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<td>2.8</td>
<td>Business Environment &amp; Ethics</td>
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<td>2.9</td>
<td>Strategic Management</td>
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<td><strong>TOTAL</strong></td>
<td><strong>1800</strong></td>
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UNIT I

UNIT II

UNIT III

UNIT IV

UNIT V

REFERENCE
5. Umasekaran, Organisational Behaviour.
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.

UNT 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

1.3. Accounting and Finance for Managers

UNIT I

UNIT II
UNIT III
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
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.

REFERENCE
1. Advanced Accountancy - R.L.Gupta and Radhaswamy
2. Management Accounting - Khan and Jain
3. Management Accounting - S.N.Maheswari

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

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

1.5. Human Resource Management

UNIT I: Human Resource Function

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.


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


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

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

REFERENCE

1.6. Quantitative Techniques for Management

UNIT I

UNIT II

UNIT III

UNIT IV

UNIT V

REFERENCE

2. Statistical Methods – S P Gupta
3. Operations Research – Kanti Swarup, Gupta And Man Mohan

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**

**UNIT V**

**REFERENCE**
1. Rao K.V. Research methods for management and commerce - sterling
2. Zikmund, Business Research Methods
3. Kothari C.R. - Research methodology

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

**1.8. CORPORATE COMMUNICATION**

**Unit 1:**

**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:**

**Unit 5:**

**Reference :**
1.9. OPERATIONS MANAGEMENT


References :
4. Production and Operations Management – Panneerselvam, PHI

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

2.1. INDIAN CAPITAL MARKET AND FINANCIAL SYSTEM

OBJECTIVE:
To explain the structure and functioning of capital market in India.

UNIT I

UNIT II
Industrial Securities Market – Organization and Structure of Stock exchanges, Membership – Listing, Trading and Settlement - ordinary shares, preference shares and Bonds.

UNIT III

UNIT IV
Merchant Bankers and new issue market, Lead managers, underwriters, Bankers to an issue – Registrars and Share Transfer Agents _ Brokers to the issue – Debenture Trustees Their role and functions in new issue market - SEBI Guidelines.

UNIT V
Market for Futures, Options and other financial derivatives – Swaps _ Warrants and Convertibles. Recent trends in derivative markets in India.

Books:

2.2. MANAGEMENT OF FINANCIAL SERVICES

OBJECTIVE:
To describe the growth and functioning of financial service industry in India.

UNIT I
Financial services – Meaning – Types - Fund based and Fee based financial services - Non-Banking Financial Companies – Functions. Prudential Norms for NBFCs.

UNIT II
Leasing and Hire-Purchase - Types of Lease - Financial Evaluation of a Lease – Cross Border Leasing - Contents of a lease agreement – Bills Discounting.

UNIT III
Factoring – Meaning and Types; Credit rating – Rating Agencies - function – Rating Methodology – Venture Capital and Venture capital industry in India.
UNIT IV
Merchant Banking – activities in new issue market - Managing issue of shares and bonds;
Mutual Funds – mechanism – types of schemes – Mutual funds industry in India – recent developments.

UNIT V

Books:
2. Nalini Prava Tripathy, Financial Services, Prentice Hall of India

2.3. CAPITAL BUDGETING AND FINANCING DECISIONS

OBJECTIVE:
To provide a focus on capital expenditure appraisal methods.

UNIT I
Nature of Long term financial decisions – Sources of long term finance – public issue - institutional finance - innovative modes of financing

UNIT II

UNIT III
Capital Structure decisions – Cost of capital and capital structure determination optimum capital structure

UNIT IV
Leverage – Types – operating and financial leverage – combined leverages

UNIT V
Financial forecasting – determination of the ratio between debt and equity

BOOKS:
2. Pandey I.M, Financial Management

2.4. WORKING CAPITAL MANAGEMENT

OBJECTIVE:
To educate the importance of working capital management concepts in corporate finance.

UNIT I
UNIT II

Financing of working capital – Money market instruments – Bank Finance- Assessment and Appraisal – Managing corporate liquidity and financial flexibility

UNIT III

 Receivables Management – Cash Management – Inventory Management

UNIT IV

 Instruments of international money market – Euro notes – Euro commercial paper – MTNs and FRNs.

UNIT V

 Working Capital Control and Banking policy – Committee recommendations on working capital – New system of assessment of working capital finance.

BOOKS:

3. Pandey, Financial Management, Vikas

2.5. RISK MANAGEMENT AND INSURANCE

OBJECTIVE:

To provide the basics of insurance contracts and to explain the various types of insurance policies.

UNIT I


UNIT II

UNIT III:

UNIT IV:

UNIT V:

BOOKS:
4.. George G. R. Lucas, Ralph H.Wherry : INSURANCE, Principles and Coverages, U.S.A.

2.6. SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

OBJECTIVE:
To expose the students to the concepts of investment Risks and securities. To enable them to understand and utilize the tools available for analysis. To stress the need of portfolio management and its application.

UNIT I
Investment _ Meaning and process of Investment Management – Speculation Investment Avenues in India.

UNIT II

UNIT III
Security Valuation – Bond, Equity and preference share valuation – Yield to maturity- Bond value theorems.

UNIT IV
UNIT V
Portfolio Selection, performance evaluation and portfolio revision- Formula plans. – Capital Asset Pricing Model (CAPM)

BOOKS:
1. Kevin.s. Security Analysis and Portfolio Management, prentice hall of India
3. Punithavathy pandian, Security Analysis and portfolio management, Vikas
4. Investment Management, V.k.Bhalla

2.7. INTERNATIONAL FINANCIAL MANAGEMENT

OBJECTIVE :
To provide a clear understanding of IFM. To emphasize on the International Monetary system. To provide knowledge on Foreign exchange and its significance in a developing economy.

UNIT I

UNIT II
International Monetary System – Gold standard – IMF and World Bank Exchange Rate mechanism – factors influencing exchange rate – Purchasing power parity and Interest Rate parity theorems.

UNIT III
Foreign Exchange Market – Transactions – Spot, Forward, Futures, Options And Swaps – Arbitrage and speculation in Foreign exchange market.- Exchange arithmetic, Spread, premium and Discount.

UNIT IV
Foreign Exchange Exposure – managing transaction, translation and operating Exposure – Techniques for covering the foreign exchange risk - Internal and external techniques of risk.

UNIT V

BOOKS:
4. Adrian Buckley, Multinational Finance, PHI

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 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


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

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 - Hierarchal 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

Unit V
Strategy implement & Control:
Various approach to implementation of strategy - Matching organization structure with strategy - 7S model - 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 Travellors N.D
2. A.C. Hax And Ns, Strategic Management: An Integrative Perspective, Majifu, Prentice Hall
6. Georgy G.Dess And Alex Miller , Strategic Management, Mcgraw Hill.
7. Gerry Jhonson & Keven Scholes, Exploring Corporate Strategy: Text And Cases,Ph

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QUESTION PAPER PATTERN

Time : 3 Hours
Max Marks : 100

Answer any five questions

(5 X 20 = 100 Marks)

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