

REGULATIONS AND SYLLABUS
FOR
BBA (FINANCE STREAM)

Offered by

BHARATHIAR UNIVERSITY, COIMBATORE
FROM 2007-2008

Under The

UNIVERSITY INDUSTRY INTERACTION AND
CONSULTANCY SERVICE CENTER (UIICSC)
COLLABORATIVE PROGRAMME

**Regulations and Syllabus
(Effective from Academic Year 2008 onwards)**

1. Description of the course / Objective of the course

BBA (Finance Stream) is a three year undergraduate course which helps the student to have a complete view of Financial Market through our various modules like Capital Market, Commodity Market and Derivative Market.

2. Eligibility for admission

Candidates for admission to the BBA (Finance) – course shall have passed + 2 in any discipline

3. Duration of the course

The duration of the course shall be for a period of three years. Examinations will be conducted at the end of every year for the respective subjects.

4. Course of study

The course of study shall contain the subjects as defined in Section - 6

5. Examination

The student will be undergoing a continuous assessment through out his period of study. The evaluation will consists of Internal examination and External examination each subject based on the specific requirement of the respective subject.

5 (A). Evaluation systems and question papers

There will be three methods of evaluation

- a. Internal Assessment will be conducted by the institution
- b. The External examination will be conducted by the university at the end of the year for subjects mentioned
- c. Project evaluation will consists of Viva which will be conducted by the institution.

a. Internal Assessment

Further the Internal Assessment will be conducted for all subjects and scaled to 40%

100 Marks is divided as follows

Tests conducted in the Institutes	50 Marks
Class Participation	30 Marks
Assignments	20 Marks

b. External Examination:

The External examination shall be conducted by the university for 100 marks and will be converted to 60% of total marks. The pattern of question papers will be as follows

Section A: Objective type with no choices (20 questions 4 from each unit)	- 20%
Section B: Short answer questions of either or type (10 questions 2 from each unit)	- 40%
Section C: Essay type questions of either or type (4 questions 1 from each unit)	- 40%

c. Project evaluation:

Each project development contains Internal Assessment

Continuous Internal Assessment	40%
The end evaluation will contain two components	
Viva-voce	30%
End evaluation	30%
Total	100%

6. Examination Scheme

Year	Course Code	Course Title	Final Exam Marks		Final Marks
			Internal Marks	External Exams	
Year 1	BBA08501	Language – Tamil/Telugu/Malayalam/Hindi/French	40	60	100
	BBA08101	Business English	40	60	100
	BBA08102	Vazhaku Tamil	40	60	100
	BBA08103	Financial Accounting	40	60	100
	BBA08104	Securities Law	40	60	100
	BBA08105	Understanding Financial Statements	40	60	100
Year 2	BBA08106	Capital Market	40	60	100
	BBA08201	Business Statistics	40	60	100
	BBA08202	Derivative Market	40	60	100
	BBA08203	Portfolio Management	40	60	100
	BBA08204	Commodity Market	40	60	100
	BBA08205	Economics	40	60	100
Year 3	BBA08206	Income Tax	40	60	100
	BBA08301	Cost Accounting and Finance Management	40	60	100
	BBA08302	Business Ethics and Communication	40	60	100
	BBA08303	Depository Services	40	60	100
	BBA08304	Banking and Insurance	40	60	100
	BBA08305	Mercantile Law	40	60	100
	BBA08306	Institutional Training			100

7. Requirements to appear for the external examination

A candidate will be permitted to appear for the university external examination of any year if he / she secures not less than 90% of attendance in the number of instructional days, failing which he / she should redo that course of study.

8. Medium of instruction and Examination

The medium of instruction and examination for all the papers shall be in English and Tamil

9. Passing requirements

- A candidate shall be declared to have passed the examination in a subject if he / she secured not less than 40% in the university examination and 40% both internal and external examination (overall).
- A candidate who successfully completed the course and passes the examination prescribed in all the subjects of study shall be declared to have been qualified for the **Bachelor of Business Administration**
- If a candidate does not complete the course successfully within a period of 6 years from the date of his / her joining he / she will not be eligible to receive the **Bachelor of Business Administration**

10. Classification of Successful Candidates

- a. All candidates securing not less than 75% of the aggregate marks shall be declared to have passed in **FIRST CLASS** with **DISTINCTION** provided they have passed the examination in every subject without failure in anytime within the course of study.
- b. All the candidates securing not less than 60% of the aggregate marks shall be declared to have passed in **FIRST CLASS** provided they have passed the examination in every subject
- c. Other successful candidates shall be declared to have passed the examination in **SECOND CLASS**

11. Conferment of the Degree

Candidates shall be eligible for conferment of the Degree, if he / she has undergone the prescribed course of study for a period of three years in an institution approved by the university and also has passed the examinations as have been prescribed.

12. Syllabus

The detailed syllabus for the course is as follows

Year I	BBA08501	Language (Tamil/Telugu/Malayalam/Hindi/French)
	BBA08101	Business English
	BBA08102	Vazhakhu Tamil
	BBA08103	Financial Accounting
	BBA08104	Securities Law
	BBA08105	Understanding Financial Statements
	BBA08106	Capital Market
Year II	BBA08201	Business Statistics
	BBA08202	Derivative Market
	BBA08203	Portfolio Management
	BBA08204	Commodity Market
	BBA08205	Economics
	BBA08206	Income Tax
Year III	BBA08301	Cost Accounting and Finance Management
	BBA08302	Business Ethics and Communication
	BBA08303	Depository Services
	BBA08304	Banking and Insurance
	BBA08305	Mercantile Law
	BBA08306	Institutional Training

Course Code: BBA08501

Course title: Language (Tamil/Telugu/Malayalam/Hindi/French)

Language Paper as per Bharathiyar University Syllabus

Course Code: BBA08101
Course title: Business English

- Unit 1. Winning by Jack Welch**
- Unit 2. English Conversation Practice by Oxford University Press / eslgold.com**
- Unit 3. Analytical study of 6 latest issues of any of the following magazine Business Today / Smart Manager / Outlook Money**
- Unit 4. The great Indian Story (CNBC interview on Managing Radical Change) by Sumantra Ghoshal**
- Unit 5. Interviewing Successful Entrepreneur in your locality**

Course Code: BBA08102
Course title: Vazhakhu Tamil

- Unit 1. Screen plays of Voodhiri Pookal (Or) Screen Play of Mullum Malarum**
- Unit 2. Wealth and HR management Techniques in Thirukkural**
- Unit 3. Sony Niruvanam Vallarntha Kathai (Tamil version of 'Made in Japan' by Akio Morito)**
- Unit 4. Alla Alla Panam by Soma. Valliyappan**
- Unit 5. Interviewing Successful Professional in your locality**

1 Accounting and Book-keeping

Definition – Need for Accounting – Branches of Accounting – Book keeping Vs Accounting – Groups interested in Accounting Information – Role of Computers in Accounting – Accounting Concepts – Accounting Conventions – Accounting Equation – Double Entry Vs Single Entry – Significance of Debit and Credit in Accounts – Journalizing the transactions – Ledger Posting – Summarizing in Trial Balance – Rectification of Errors.

2 Final Accounts – Basics

Trial Balance – Trading Account – Profit and Loss Account – Balance Sheet - Depreciation Accounting – Bank Reconciliation Statement - Departmental Accounting – Branch Accounts – Receipts and Payments Account & Income and Expenditure Account.

3 Partnership Accounts

Partnership Accounts – Admission of Partner – Retirement of a Partner – Death of a Partner – Dissolution of Partner – Piecemeal Distribution – Amalgamation and sale of Firms.

4 Accounts in a Joint stock company

Accounting of Share capital – Accounting of Debenture capital – Valuation of Shares and Goodwill – Acquisition – Merger – Amalgamation – Liquidation – Insolvency of the Joint Stock Company

5 Final Accounts – Advanced

Trading and Profit & Loss Account – Balance Sheet – Dividend Accounting – Interim Dividend – Balance Sheet as per Schedule VI format – Finalization of Accounts.

1 Company Law

Formation of Company – Shares – Buy back of securities – Share capital – Transfer of Shares – Annual Return – Annual General Meeting – Dividend – Investor Education and Protection Fund.

2 Securities Contract Regulation Act

Introduction – Recognition of Stock Exchanges – Contracts in Securities – Listing of Securities – Securities Contract Regulation Rules – Contracts between members of Recognised Stock Exchanges

3 SEBI Act

Constitution of SEBI – Functions of SEBI – Registration of Intermediaries – SEBI Stock Brokers & Sub broker's rules and regulations – Registration of Broker & Sub broker – Code of Conduct – Insider Trading – Prohibition of Fraudulent & Unfair Trade practices

4 Depositories Act

Agreement between Depository and Participant – Services of Depository – Registration of Transfer of Securities – Rights of Depositories and Beneficial Owner – Pledge or Hypothecation

5 Other Special Laws

Indian Contract Act – Public Debt Act – Income Tax Act.

Course Code: BBA08105

Course title: Understanding Financial Statements

1 Analysis and Interpretation

Types of Financial Statements – Formats of Financial Statements – Nature and Limitations
– Types of Financial Analysis – Tools of Financial Analysis

2 Ratio Analysis

Classification - Accounting Ratios – Profitability Ratios – Turnover Ratios – Financial Ratios – Categories of Ratios – Advantages and Limitations of Ratios – Computation of Items of Financial Statements – Inter firm and Intra firm comparison

3 Funds Flow

Meaning - Need – Uses – Funds flow Statement and Income Statement – Preparation of Funds flow Statement – Provision for Taxation – Proposed Dividend – Depreciation.

4 Cash Flow

Meaning – Need – Uses – Cash flow Vs. Funds flow Analysis – Preparation of Cash flow Statement – Cash Forecast

5 Annual Return and Dividend Declaration

Finalisation of Books – Declaration of Dividend – Interim Dividend and Final Dividend – Bonus Share – Rights Shares – Investment Planning

1 An overview of the Indian Securities Market

Market segments – Products and Participants – Investor Population – Primary Market – Secondary Market – Derivatives Market – Options and Futures – Research in Securities Market

2 Intermediaries and the Stock market

Corporate's – Government – Financial Institutions – Institutional Investors – Credit Rating Agencies - Merchant Bankers – Registrar and Transfer Agents – SEBI - Stock Exchanges – Stock Brokers – Sub Brokers – Contract in between SEBI and Stock Exchanges – Contract in between Stock Exchanges and Stock Brokers – Contract in between Stock Brokers and Clients – Disputes and Appeal

3 Trading

Trading – Market types – Corporate Hierarchy – Local Database – Market Phases – NEAT Screen – Inquiry Screen – Order Management – Trade Management – Auction – Limited Physical Market – RETDEBT Market – Trading Information Download – WAP.

4 Clearing and Settlement

Introduction – Settlement Cycle – Securities Settlement – Funds Settlement – Shortage Handling – Risk containing Measures – ISIN – Dematerialisation – Electronic Transfer of Securities – Investor Protection Fund – Clearing Software – File Transfer Protocol.

5 Regulations

SCRA – SEBI – Depositories Act – Indian Contract Act – The Companies Act – Public Debt Act – Income Tax Act.

1 Statistical Presentation

Introduction - Collection of Data – Classification and Tabulation – Diagrammatic Representation.

2 Statistical Averages

Measures of Averages – Measures of Dispersion – Measures of Skewness, Kurtosis and Moments – Correlation and Regression

3 Forecasting and Decision Making

Curve Fitting – Interpolation – Time Series – Index Number – Probability – Linear Programming.

4 Assignment and Transportations

Mathematical Formulation – North West Corner Rule – Least Cost Entry Method – Vogel's Approximation Method.

5 Sampling Tests

Types of Sampling – Statistical Quality Control – Large Samples – Small Samples t test – Small Samples F Test – Small Sample Chi-Square test – Network Analysis.

1 Derivative Instruments

Derivatives Definition – Factors driving the growth of derivatives – Derivative Products – Participants – Economic Function – Exchange traded – OTC Derivative markets – NSE's derivative market

2 Market Index

Index Number – Economic Significance of Index – Index Construction – Types – Attributes – S&P CNX Nifty – Applications of index

3 Application of Options and Futures

Forward contracts – Limitations of Forward Contracts – Futures and Options terminology – Index Derivatives – Payoffs – Pricing – Application of futures and options.

4 Trading and Intermediaries

Trading System – Trader workstation – Market Instruments – Criteria for trading eligibility – Clearing and Settlement – Intermediaries in Derivative Market

5 Regulations

NSCCL – Membership in F&O – User authorization – Position limits – Client Margin reporting – Accounting for futures – Taxation of derivatives transaction.

1 Investment Management

Introduction – Selection of Investments – Classification of Securities – Risk and uncertainty – Types of risks – Risk and Expected Return – Measurement of Portfolio risk – Benefits of Diversification – Investment Strategies – Types of Companies and Stocks – Matrix approach in investment decisions

2 Security Analysis

Introduction – Technical approach – Dow Theory – Advance Decline Theory – Chartism – Assumptions of Technical Analysis Economic and Industry Analysis

3 Modern Portfolio Theory

Mean – Variance Model – Capital Market Line – Market Portfolio – Capital Asset Pricing Model – Security Market line – Beta factor – Alpha and Beta Coefficient – Arbitrage Pricing Model

4 Fundamental Approach

Return on Investment – P/E Ratio – Earning Per Share – Book Value – Debt-Equity Ratio – Dividend payout ratio – Dividend Yield – Dividend Cover – Interest Cover

5 Stock Market and Derivatives

Capital Market – Derivative Market – Commodity Derivatives – Depository Operations – Mutual Funds.

1 Introduction

Derivatives – Products – Participants – Functions – Derivative markets – Spot Vs forward transaction – Commonly used derivatives – Difference between commodity and financial derivatives – Global commodities derivatives exchanges – Evolution of the commodity market in India.

2 Commodity Options and Futures

Commodities traded on the NCDEX platform – Instruments available for trading – Pricing commodity futures

3 Application of Options and Futures

Hedging – Speculation

4 Trading & Clearing and Settlement

Futures trading system – Trading cycle – Order types and trading parameters – Margin for trading in futures – Charges – Clearing and Settlement – Risk Management – Margining at NCDEX – Initial Margin

5 Regulations

Commodity Derivative exchange – NCDEX – Rules governing intermediaries – Rules governing investor grievances and arbitration – Implications of sales tax.

1 Micro Economics

Definition, scope and nature of Economics - Methods of economic study - Central problems of an economy and Production possibilities curve.

2 Theory of Demand and Supply

Meaning and determinants of demand, Law of demand and Elasticity of demand — Price, income and cross elasticity - Theory of consumer 's behaviour – Marshallian approach and Indifference curve approach - Meaning and determinants of supply, Law of supply and Elasticity of supply - Theory of Production and Cost - Meaning and Factors of production - Laws of Production – The Law of variable proportions and Laws of returns to scale Concepts of Costs — Short-run and long-run costs, Average and marginal costs, Total, fixed and variable costs.

3 Price Determination in Different Markets

Various forms of markets – Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly - Price determination in these markets.

4 Indian Economic Development

Nature of the Indian Economy - Role of different sectors – Agriculture, Industry and Services in the development of the Indian economy, their problems and growth – National Income of India – Concepts of national income, Different methods of measuring national income, Growth of national income and per capita income in various plans - Basic understanding of tax system of India – Direct and Indirect Taxation

5 Select Aspects of Indian Economy

Population – Its size, rate of growth and its implication for growth - Poverty – Absolute and relative poverty and main programs for poverty alleviation - Unemployment – Types, causes and incidence of unemployment - Infrastructure — Energy, Transportation, Communication, Health and Education – Inflation - Budget and Fiscal deficits – Balance of payments - External debts - Economic Reforms in India.

1 Basic Concepts

Assessment year – Previous year – Person – Assessee – Income – Gross total Income – Computation of Total Income – Capital and Revenue Expenditure – Capital and Revenue Receipts – Income Exempt from Tax – Special Provision on Free Trade Zones, Special Economic Zones

2 Residential Status

Introduction – Residential Status of an Individual – Company – Partnership Firm – Conditions to calculate Residential Status – Incidence of tax

3 Heads of Income

Understanding Income Heads – Income from Salaries – Income from House Property – Profit and Gains of Business or Profession - Income from Capital Gains – Income from Other sources – Basis of Charge – Gross Deduction provided on each heads of Income - Problems on Computation of Income from different heads

4 Set off and Carry forward of losses

Mode of Set off and Carry forward of losses – Inter source adjustments – Inter head adjustments – Carry forward of loss – Depreciation – Carry forward in case of Amalgamated and Demerged company

5 Computation of total Income, Assessment and Filing of Returns

Gross Income from different heads of Income – Permissible deductions from each heads of Income – Net Income – Gross Tax payable – Advance tax – Tax Deducted at Source – Tax Collected at Source – Payment of Self Assessment tax – Self Assessment – Filing of Returns – Other obligations – Payment of Interest and Penalty

Course Code: BBA08301

Course title: Cost Accounting and Finance Management

1 Introduction to Cost Accounting

Objectives and scope of Cost Accounting - Cost centres and Cost units – Cost classification for stock valuation, Profit measurement, Decision making and control Coding systems - Elements of Cost - Cost behaviour pattern, Separating the components of semi-variable costs - Installation of a Costing system - Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management.

2 Cost Ascertainment

Material Cost - Employee Cost - Direct Expenses – Overheads - Cost Book-keeping - Costing Systems - Job Costing - Batch Costing - Contract Costing - Process Costing - Operating Costing System - Introduction to Marginal Costing - Introduction to Standard Costing

3 Financial Analysis and Planning

Meaning, Importance and Objectives - Conflicts in profit versus value maximization principle - Role of Chief Financial Officer - Time Value of Money - Compounding and Discounting techniques—Concepts of Annuity and Perpetuity - Ratio Analysis for performance evaluation and financial health - Application of Ratio Analysis in decision making - Analysis of Cash Flow Statement - Cost of Capital - Weighted average cost of capital and Marginal cost of capital - Capital Structure - decisions — Capital structure patterns, Designing optimum capital structure, Constraints - Various capital structure theories - Business Risk and Financial Risk — Operating and financial leverage, Trading on Equity.

4 Types of Financing and Investment Decisions

Different sources of finance - Project financing — Intermediate and long term financing - Negotiating term loans with banks and financial institutions and appraisal thereof - Introduction to lease financing - Venture capital finance - Understanding different types of projects - Techniques of Decision making: Non-discounted and Discounted Cash flow Approaches — Payback Period method, Accounting Rate of Return, Net Present Value - Internal Rate of Return, Modified Internal Rate of Return, Discounted Payback Period and Profitability Index - Ranking of competing projects, Ranking of projects with unequal lives.

5 Management of Working Capital

Working capital policies - Funds flow analysis - Inventory management - Receivables management - Payables management - Management of cash and marketable securities - Financing of working capital.

Course Code: BBA08302

Course title: Business Ethics and Communication

1 Introduction to Business Ethics

The nature - purpose of ethics and morals for organizational interests - Ethics and Conflicts of Interests - Ethical and Social Implications of business policies and decisions - Corporate Social Responsibility - Ethical issues in Corporate Governance - Protecting the Natural Environment – Prevention of Pollution and Depletion of Natural Resources - Conservation of Natural Resources.

2 Ethics in Workplace

Individual in the organisation - discrimination - harassment - gender equality - Ethics in Marketing and Consumer Protection - Ethics in Accounting and Finance.

3 Elements of Communication

Forms of Communication: Formal and Informal - Interdepartmental - Verbal and nonverbal - Active listening and critical thinking - Presentation skills including conducting meeting - press conference - Planning and Composing Business messages - Communication channels - Communicating Corporate culture - change - innovative spirits - Communication breakdowns - Communication ethics - Groups dynamics - handling group conflicts - consensus building - influencing and persuasion skills - Negotiating and bargaining Emotional intelligence - Emotional Quotient - Soft skills – personality traits - Interpersonal skills - leadership.

4 Communication in Business Environment

Business Meetings – Notice - Agenda - Minutes - Chairperson’s speech - Press releases - Corporate announcements by stock exchanges - reporting of proceedings of a meeting.

5 Basic understanding of legal deeds and documents

Partnership deed - Power of Attorney - Lease deed - Affidavit - Indemnity bond - Gift deed - Memorandum and articles of association of a company - Annual Report of a company.

Course Code: BBA08303
Course title: Depository Services

1 Introduction to Depositories

An overview of Indian Securities Market – Capital Market process – Legal Frame work of Indian Securities Market – Intermediaries in Indian Securities Market - Depositories Act – Introduction to Depositories – NSDL - Instruments available for Depository Services

2 Overview of NSDL

Establishment of NSDL – Features of the Depository system in India – Analogy and Difference between Depositories and Bank – Agreement between Depositories and Issuers – Agreement between Depositories and Participants – Functions of Depository – Tax Implications for DEMATED securities

3 Business Partners

List of Business Partners – Depository Participants and their participation – Rights and Obligations of Depository Participants – Clearing Corporations – Registrar and Transfer Agents – Role of R&T agents on Dematerialisation and Rematerialisation – NSDL application software – Service standards – Benefits & Safety – NSDL charge structure –

4 Core Services

Account Opening – Beneficial Owners account – Clearing Members account – Intermediary Account – Persons to open an account – Account for Minors – Documents to be submitted – Closure of Accounts – Transfer – Transmission – Transposition – Nomination – Dematerialisation – Rematerialisation – Transposition cum Demat – Trading and Settlement – Off Market Trade settlement

5 Additional Services

Pledge and Hypothecation – Closure of Pledge – Pledge Cancel – Stock Lending and Borrowing – Repayment of Securities – Recall of Securities – Corporate Actions – Public Issues – Debt Instruments & Government Securities – Dematerialisation of NSC / KVP, Warehouse Receipts – Tax Information Network - MAPIN

Course Code: BBA08304
Course title: Banking and Insurance

1 Banking System in India

RBI – Banker and Customer – Customers Accounts with the Banker – Special Types of Banker's Customers.

2 Negotiable Instruments

Endorsements – Crossing of Cheque – Payment of Cheque – Collection of Cheque – Bills of Exchange and Promissory Notes – Rights and Liabilities of Parties to Negotiable Instruments.

3 Employment of Bank Funds

The Liquid Assets – Investment in securities – Loans and Advances – Purchase and Discounting of Bills – Letters of Credit – Guarantees – Analysis of Financial Statements – Credit Policy of RBI.

4 Law of Insurance

Contract of Insurance – Elements of Insurance – Premium – Re-insurance and Double Insurance.

5 Types of Insurance

Life Insurance – Fire Insurance – Marine Insurance.

Course Code: BBA08305
Course title: Mercantile Law

1 Indian Contract Act

Nature of Contract – Offer and Acceptance – Consideration – Capacity to Contract – Free Consent – Legality of Object – Void Agreements – Contingent Contracts – Performance of Contract – Discharge of Contract – Remedies for breach of contract – Quasi-contracts – Indemnity and Guarantee – Bailment and Pledge – Contract of Agency – Sale of Goods – Conditions and Warrants

2 Negotiable Instruments

Types of Negotiable Instruments – Notes, Bills and Cheque – Parties to a Negotiable Instrument – Negotiation – Presentment – Dishonor – Discharge of an Instrument – Rules of Evidence, Estoppels and International Law.

3 Company Law

Nature of Company – Kinds of Companies – Formation of Company – Memorandum of Association – Articles of Association – Prospectus – Membership in a Company – Share capital – Shares – Borrowing Powers, Debentures and Charges – Company Management – Meetings and Proceedings – Accounts and Auditors – Prevention of oppression and mismanagement – Compromises, Arrangements and Reconstructions – Winding Up.

4 Industrial Law

The Factories Act – The Workmen’s Compensation Act – The Employees State Insurance Act, The Employees Provident Fund Act – The Payment of Gratuity Act – The Maternity Benefit Act – The Payment of Wages Act – The Minimum Wages Act – The Industrial Disputes Act – The Trade Unions Act – The Payment of Bonus Act – The Apprentices Act

5 Latest Laws

The Consumer Protection Act – The Foreign Exchange Management Act – The Information Technology Act – Competition Act.

Course Code: BBA08306
Course title: Institutional Training

Project in Stock Broker Office.