

VEER NARMAD SOUTH GUJARAT UNIVERSITY

MASTER OF BUSINESS ADMINISTRATION

(Evening)

(With Effect From July 2002)

Semester – V

Optional Courses

1. Finance & Accounting Group

- 1. OF&A 501 Security Analysis & Investment Management**
- 2. OF&A 502 Portfolio Management**
- 3. OF&A 503 International Financial Management**
- 4. OF&A 504 Management of Financial Institutions & Financial Services**
- 5. OF&A 505 Financial Derivatives**

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FINANCE & ACCOUNTING GROUP

OF & A 501

Security Analysis and Investment Management:

Objective :

The objective of this course is to impart knowledge to students regarding the theory and practice of Security Analysis and Investment Decision Making Process.

Course Contents :

Investment – Return and Risk; Operations of Indian Stock Market; Net Issue Market; Listing of Securities; Cost of Investing in Securities' Mechanics of Investing; Market and Brokers; Investment Companies; Market Indices and Return; Security Credit Ratings; Objectives of Security Analysis; Investment Alternatives; Valuation Theories of Fixed and Variable Income Securities; The Return to Risk and the Investment Decision; Government Securities; Non-Security Forms of Investment; Real Estate Investment; Investment Instruments of the Money Market; Stock Market Analysis – Fundamental and Technical Approach, Efficient Market Theory; Recent Developments in the Indian Stock Market;

Suggested Readings :

1. Amling, Frederic. Investment, Englewood Cliffs, New Jersey, Prentice Hall Inc. 1983.
2. Bhalla, V.K. Investment Management : Security Analysis and Portfolio Management., 8th ed., New Delhi, S. Chand, 2001.
3. Fischer, Donald E. and Jordan, Ronald J. Security Analysis and Portfolio Management, 6th ed., New Delhi, Prentice Hall of India, 1995.
4. Fuller, Russell J. and Farrell, James L. Modern Investment and Security Analysis, New York, McGraw Hill, 1993.
5. Haugen, Robert H. Modern Investment Theory . Englewood Cliffs, New Jersey , Prentice Hall Inc., 1987.
6. Huang, Stanley S C and Randall, Maury R. Investment Analysis and Management, London, Allyn and Bacon, London, 1987.
7. Sharpe, Willism F. etc., Investment, New Delhi, Prentice Hall of India, 1997.

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Portfolio Management

Objectives :

The objective of this course is to give the students an in-depth knowledge of the theory and practice of Portfolio Management.

Course Contents :

Introduction to Portfolio Management – An Optimum Portfolio Selection Problem, Markowitz Portfolio Theory, The Mean-Variance Criterion (MVC) – The Nature of Investment Risk, MVC and Portfolio Selection, The Investment in Liquid Assets, Portfolio to Two Risky Securities, A Three Security Portfolio , The Efficient Frontier – The relationship between the Unleveraged and Leveraged portfolio , Sharpe; Single Index Model; Application of Market Model in Portfolio Construction, Capital Asset Pricing Model; Characteristic Lines, Factor Model and Arbitrage Pricing Theory, Constructing Efficient Frontier, Optimum Portfolios – Constructing the Optimum Portfolio, Portfolio Investment Process; Bond Portfolio Management Strategies; Investment Timing and Portfolio Performance Evaluation; Corporate Portfolio Management in India, International Diversification.

Suggested Readings :

1. Alexander, Gordon J and Sharpe, William F. Fundamentals of Investments. Englewood Cliffs, New Jersey, Prentice Hall Inc. 1989.
2. Bhalla, V K. Investment Management : Security Analysis and Portfolio Management 8th ed. Delhi, S.Chand, 2001.
3. Portfolio Analysis and Management, Delhi, S.Chand, 2002.
4. Elton, Edwin J and Gruber, Martin J. Modern Portfolio Theory and Investment Analysis, New York, John Wiley, 1984.
5. Lee, Cheng F. etc. Security Analysis and Portfolio Management. Scott Foresman, 1990.
6. Markowitz, Harry M. Mean, Variance Analysis in Portfolio
7. choice and Capital Markets, London, Basic Blackwell, 1987.

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International Financial Management:

Objectives :

The objective of this paper is to given students an overall view of the international financial system and how multinational corporations operate.

Course Contents :

Multinational Financial Management – An overview; Evolution of the International Management and Financial System; Managing short-term assets and liabilities; Long-run Investment Decisions- The Foreign Investment Decision; Political Risk Management; Multinational Capital Budgeting Application and Interpretation; Cost of Capital and Capital Structure of the Multinational Firm; Dividend Policy of the Multinational Firm; Taxation of the Multinational Firm; Country Risk Analysis; Long-term Financing; Working Capital Management, Interest Risk Management; International Capital Market Movement and Trends.

Suggested Readings :

1. Abdullah, F A. Financial Management for the Multinational Firm. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1987.
2. Bhalla, V K. International Financial Management. 2nd ed. New Delhi, Anmol, 2001.
3. Buckley, Adrian. Multinational Finance. New York, Prentice Hall Inc., 1996.
4. Kim, Suk and Kim, Seung. Global Corporate Finance : Text and Cases. 2nd ed. Miami Florida, Kolb, 1993.
5. Shapiro, Alan C. Multinational Financial Management, New Delhi, Prentice Hall of India, 1995.

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OF & A 504

Management of Financial Institutions & Financial Services

Objectives:

The basic objective is to provide students an insight into the principles, Operational policies and Practices of Prominent Financial institutions of Indian Money and Capital Markets.

Course Contents:

1. Current scenario of financial sector in Indian economy and its brief comparison with financial sectors in other countries.
2. Money and capital markets-managerial aspects. Network of financial institution in India.
3. Classification of Indian financial Institutions - all India financial institutions, State level financial institutions, Banking financial institutions. Non-banking financial institutions,
4. Cooperative financial institutions, Export oriented financial institutions, Agriculture oriented financial institutions, Insurance sector financial institutions, Investment financial institutions, Housing finance institutions.
5. Specific management policies and regulatory aspects.
6. Operational aspects of banking and non-banking financial institutions.
7. Merchant banking activities and SBI's role.
8. Financial innovations.
9. Financial services-factoring forfeiting, leasing. hire purchase, securitisation, credit rating and other relate services.

10. Financial products in money and capital markets-commercial papers, certificates of deposits, T-Bills. credit cards bonds and other related instruments.
11. Co-ordination between financial and non-banking financial institutions.
12. Venture capital a financial innovation.

Suggested Readings :

1. Bhalla, V. K. Management of Financial Services, Anmol, New Delhi, 2001
2. Bhalla V. K. and Dilbag, Singh. International Financial Centres, New Delhi, Anmol, 1997
3. Ennew, C, Trevor Watkins & Mike Wright, Marketing of Financial Service, Heinemann Professional Pub., 1990
4. Gordan, E and K. Natrajan, Emerging Scenario of Financial Services, Himalaya Publishing House, 1997
5. Meidan, Arthur Brennet, M. Option Pricing : Theory & Applications. Toronto, Lexington Books, 1983
6. Kim, Suk and Kim, Seung. Global Corporate Finance : Text and Cases, 2nd ed., Miami Florida, Kolb, 1993
7. Dougall, Herbert E and Gaumnitz. Capital Markets and Institutions. Englewood Cliffs, New Jersey, Prentice Hall In., 1980
8. Hempel, Geroge H. and Yawitz, Jess B. Financial Management of Financial Institutions. Eaglewood Cliffs, New Jersey, Prentice Hall Inc., 1977
9. Kane, Joseph A. Development Banking, Toronto, Lexington Books, 1984
10. Rose, Peter S. and Frase, Donald R. Financial Institutions. Ontario, Irwin Dorsey, 1985
11. Viji, Madhu. Management of Financial Institutions in India. New Delhi, Anmol, 1991
12. Yeager, Fred C. and Seitz, Nail E. Financial Institution Management : Text and Cases, 3rd ed. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1989

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Financial Derivatives

Objectives

The objective of this course is to give an in depth knowledge of the functioning of derivative securities market.

Course Contents

Forward Contracts; Future Contracts; Other Derivative Securities; Types of Traders; Future Markets and the use of Futures for Hedging; Forward and Futures Prices: Interest Rate Futures Swaps; Options Market; Properties of Stock Option Prices; Trading Strategies Involving Options; Black-Scholes Option Model; Binomial Model; Options on Stock indices; Currencies and Futures Contracts; General Approach to Pricing Derivatives Securities; Interest Rate; Derivative Securities; Derivatives Market in India.

Suggested Readings

1. Bhulla, V K. Investment Management; Security analysis and Portfolio Management, New Delhi, S.Chand, 2001.
2. Financial Derivatives, Delhi, S.Chand, 2001.
3. Brennet, M. Option Pricing: Theory & Applications. Toronto. Lexington Books, 1993.
4. Cox, John C and Rubinstein, Mark Options Markets. Engiewood Clifts, New Jersey, Prentice Hall Inc. 1985.
5. Huang, Stanley S C and Randall, Maury R. Investment Analysis and Management. London, Allyn and Bacun, 1987.
6. Hull, John C. Opions, Futures and Other Derivative Securities. 2nd ed. New Delhi, Prentice Hall of India, 1996.
7. Sharpe, William F. etc. Investment, New Delhi. Prentice Hall of India, 1997.