

# **VEER NARMAD SOUTH GUJARAT UNIVERSITY**

## **MASTER OF BUSINESS ADMINISTRATION**

**(Full Time)**

**(With Effect From July 2002)**

**Semester – IV**

### ***Optional Courses***

#### **1. Finance & Accounting Group**

**OF&A 401      Foreign Exchange Management**

**OF&A 402      Corporate Taxation & Financial Planning**

**OF&A 403      Strategic Financial Management**

**OF&A 404      International Financial Markets**

# **VEER NARMAD SOUTH GUJARAT UNIVERSITY**

**MBA (Full Time)**

**Semester – IV**

**FINANCE & ACCOUNTING GROUP**

**OF & A 401**

## **Foreign Exchange Management**

### **Objectives ;**

To acquaint the participants with the mechanism of the foreign exchange markets, measurement of the foreign exchange exposure, and hedging against exposure risk.

### **Course Contents;**

Types of Foreign Exchange Markets and Transactions, Quoting Foreign Exchange Rates, Spread, Official and Free Market Rates, Cross Rates, Forward Rates, Quoting Forward Rates; Organisation of the Foreign Exchange Markets; Currency Futures; Currency Options; Currency Swaps; Corporate Exposure Management; Alternative Definitions of Foreign Exchange Risk, Exposure Information System, Alternative Strategies for Exposure Management, Exposure Management Techniques, Organisation of the Exposure Management Function; Parameters and Constraints on Exposure Management: Theory and practice of Forecasting Exchange Rates-Economic Fundamentals, Financial and Socio-Political Factors, Technical Analysis; Tax Treatment of Foreign Exchange Gains and Losses; FEMA.

### **Suggested Readings**

1. Alber, R.Z. Exchange Risk and Corporate International Finance, London, Macmillan, 1978.
2. Bhalla, V.K. International Financial Management, 2nd ed., Delhi, Anmol, 2001.
3. Luca Comelius Trading in the Global Currency Markets, NJ. Prentice Hall, 1995.
4. Shapiro, A.C. International Financial Management, Boston, Allyn and Bacon, 1979.
5. Sutton, W.H. Trading in Currency Options, NY, New York Institute of Finance, 1987.

# **VEER NARMAD SOUTH GUJARAT UNIVERSITY**

**MBA (Full Time)**

**Semester – IV**

**FINANCE & ACCOUNTING GROUP**

**OF & A 402**

## **Corporate Taxation & Financial Planning**

### **Objectives:**

The objective of this course is to acquaint the students with the tax structure as applicable to corporate bodies and to provide opportunity to corporate tax planning and management in Indian business.

### **Course Contents:**

Basic frame work of Direct Tax laws in India. inter-relation of different direct taxes and the problem of tax planning with reference to such inter-relationships in the scheme of taxation in India, and the relative importance of the Income Tax Act Annual finance Act in that context.

The various recognized methods of tax planning such as legal diversion of income ensuring maximum claim for deductions taking advantage of available reliefs and rebates, tax free sources of incomes etc., Problems arising from provision for aggregation of incomes under certain circumstances and legal opportunities for avoidance of such provisions, Maintenance of proper accounting records to obtain maximum tax relief, Selection of form of organization and tax planning.

Guidelines to small businessman and professionals with regard to their compliance with tax requirements.

Tax holiday provisions and other reliefs and rebates for industry, problems of double taxation. Significance of depreciation rebate and other similar allowance in tax planning. Tax incentives for export business and tax implications for receiving and giving foreign collaboration. Tax deductions for debt, equity, deposit term loan and deferred payment facilities. payment of interest on capital issue of convertible bonds from the view point of tax planning.

### **Suggested Readings:**

1. Sukumr Bhattacharya : Corporate Taxation and Financial Policy(Nagpur)
2. Vinod K. Sunghania : Direct Taxes-Loans and Practice(Delhi)
3. R.R.Gupta : Indian Income Tax Act. (Agra)
4. Bhagwati Prasad : Law and Practice of Income Tax in India(Aligarh)
5. M. Shrinivasan : Hand Book of Corporation Tax in India (Aligarh)

# **VEER NARMAD SOUTH GUJARAT UNIVERSITY**

**MBA (Full Time)**

**Semester – IV**

**FINANCE & ACCOUNTING GROUP**

**OF & A 403**

## **Strategic Financial Management**

### **Objective:**

This course is designed to acquaint the students with the application of the tools and techniques of financial analysis in framing appropriate financial strategy. It is also designed to make the students understand the linkages between financial strategy and corporate strategy, which are important for achieving strategic advantage.

### **Course Contents:**

This course is based on the course contents of the course on 'Financial Strategy for Competitive Advantage' of the present MBA Programme. The contents of the course have been developed by the Departmental Faculty.

1. Globalisation of Indian market, competitive analysis of Industries, generic strategies to gain competitive advantage, financial strategy to achieve cost profit and investment leaderships aspects of financial strategy.
2. Introduction to Corporate Restructuring : Forms of restructuring business firms.
3. Types of Mergers and their characteristics.
4. Theories of Merger and Tender offer.
5. Sell-Offs and Divestitures.
6. ESOPs as a financial strategy for increasing shareholders wealth.
7. Going private and Leveraged Buyouts as a financial strategy.(Including MBOs).
8. Share repurchases and Exchanges as a financial strategy.
9. Financing and Dividend Policies. Theory of Capital Structure, Making Capital Structure Decisions and Dividend as a Financial Policy(including models).
10. Lease Buy Decision : using compounding and discounting techniques to take decisions.
11. Financial Engineering as a tool to develop financial strategy.
12. Capital Budgeting Decisions under conditions of certainty.\*
13. Relevant Case Analysis (Mergers).

### **Suggested Reading:**

1. Competitive Advantage - Porter (Free Press).
2. Mergers Acquisitions and Corporate Control - Weston, Chung, Hoag(PHI)
3. Strategy and Business Landscape - Pankaj Ghemawat(Addison Wesley)
4. Financial Management and Policy - V.K.Bjhallah(Anmol Publication)

# **VEER NARMAD SOUTH GUJARAT UNIVERSITY**

**MBA (Full Time)**

**Semester – IV**

**FINANCE & ACCOUNTING GROUP**

**OF & A 404**

**International Financial Market**

## **Objectives**

The objective of this course is to give students an in depth knowledge of the working of international financial markets.

## **Course Contents**

History of the International Financial System - The rise and Fall of Bretton Woods, Globalisation and the Growth of Derivatives, The Crash of 1994-96 and Beyond, Euro-currency Market. Euro banking and Euro-currency Centres, Deposit Dealing and the Term Structure of Euro-currency Rates, Euro-currency Futures and Options, Syndicated Euro-credits. International Bond Markets - Introduction, New Issue Procedures in the Eurobond Markets, Eurobond Valuation and Hedging, Interest Rates and Currency Swaps, Pricing Option, Features of International Bonds, Forecasting and the Image of the Future - Central Banks and the Balance of Payments. The European Monetary System and Other Regional Artificial Currency Areas, New Instruments in International Capital Markets, International Banking and Country Risk, International Portfolio Diversification, International Transfer Pricing.

## **Suggested Readings**

1. Bhalla, V K. International Financial Management, 2nd ed., New Delhi, Anmol, 2001.
2. Bhalla, V K. Managing International Investment and Finance, New Delhi, Anmol, 1997.
3. Buckley, Adrian, Multinational Finance, 3rd ed., Englewood Cliffs. Prentice Hall Inc., 1996.
4. Eiteman, David K and Stonehill, Arthur I. Multinational Business Finance. California, Addison-wesley, 1988.
5. Johnson and Giaccotto. Options and Futures. St. :Paul, West, 1995.
6. Kim, Suk and Kim. Seung. Global Corporate Finance: Text and Cases. 2nd ed. Miami, Florida, 1993.
7. Shapiro, Alan C. Multinational Financial Management. New Delhi, Prentice Hall of India, 1995.