

# Veer Narmad South Gujarat University, Surat.

## M.COM.-II

### Risk Management and Control & Foreign Exchange

#### Management - Paper - IV

(To Come in force from 2010-11)

### Risk Management and Control

#### Course Contents

1. Capital Allocation and risk adjustment performance
2. Market RISK
3. Introduction to Value at Risk Models
4. Advanced Value at Risk Models
5. Credit RISK

### Foreign Exchange Management

#### 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 organization of the foreign exchange markets: Currency futures: currency options Currency swaps Corporate Expose management Alternative Definition of foreign Exchange Risk expose information System alternative strategies for exposure management exposure management techniques organization of the exposure management function parameters and constrains on expose management Theory and practice forecasting exchange rates economic fundamentals, Financial and Socio-political Factors. Technical Analysis; Tax Treatment of foreign Exchange and losses; FEMA

#### References:

1. Foreign exchange management manual by Taxman
2. Jacque(1998), Management of Foreign Exchange Risk, Rowman & Littlefield Publishers
3. Jain Nidhi (2007), Foreign Exchange Risk Management, New Century Publication,
4. Shapiro 12006), Foreign Exchange Risk Management, AMA management.
5. Shapiro(2006), Multinational financial Management, Wiley
6. David Murphy(2008), Understanding Risk: Theory and Practices of Financial Risk Management, 1st Edition, Chapman and Hall.
7. Horcher (2005), Essentials of Financial Risk Management, John-wiley and sons.
8. Carl Pritchard (2001), Risk Management: Concepts and Guidance, 2nd edition, ESI International, 2001
9. Alan Waring and A. Ian Glendon(1998), Managing Risk: Critical issue for survival and success into the 21st century, Thompson Learning.
10. Louis Esch, Robert Kieffer, Thierry Lopez, C. Berbe, P. Darnel, M. Debay, and J.-F. Hannosset 2005), Asset & Risk Management, Wiley.
11. Michel Crouhy, Dan Galai, and Robert Mark(2000), Risk Management, McGraw-Hill
12. Carol Alexander (2008), Value at Risk Models, Wiley



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M.COM.-II

Corporate Finance & Portfolio and Investment

Management - Paper - V

(To Come in force from 2010-11)

Corporate Finance

**Course Contents**

1. Introduction to Financial Management
2. Indian financial System
3. Time Value of Money
4. Risk and Return
5. Valuation of Securities
6. Financial statement Analysis
7. Funds Flow analysis
8. Leverage-Measurement and Implications
9. Cost of Capital and Capital structure Estimation of working capital needs
11. Financing Current Assets
12. Inventory Management
13. Receivable Management
14. Cash Management
15. Capital Expenditure Decisions
16. Financial Services
17. Mergers and Acquisitions
18. Industrial sickness and Rehabilitations
19. Privatization of Public Enterprises
20. International Finance

# Portfolio and Investment

## Course Contents

1. Introduction to Portfolio management
2. Risk and Return theory and types of risk and their measurements
3. Markowitz theory
4. Capital Asset Pricing Model (CAPM)
5. Sharpe Index Model
6. Two Security Portfolio Model and its risk and return
7. Three Security Portfolio model and its risk and return
8. Arbitrage Pricing theory
9. Efficient Market Hypothesis
10. Portfolio Management Process
11. Portfolio timing and Evaluation Process
12. Bond Portfolio Management and its strategies
13. International Diversification
14. Corporate Portfolio Management in India
15. Investment
16. Security Analysis and investment decision
  - a. Objectives of SA. Analysis of Investment Alternatives, Govt. Securities, Non-Security form of investment, Real Estate Investment, Investment Instrument of Money Market
17. Operations of Indian Stock Market
  - a. Primary and Secondary Markets
  - b. Listing of Securities
  - c. Cost of investment in securities
  - d. Mechanism of Investing
  - e. Market and Brokers
18. Investment Companies
19. Market Indices and Return
20. Security Credit Ratings
21. Valuation theory of Fixed and variable income securities
22. Stock Market Analysis
  - a. Fundamental Analysis
  - b. Technical Analysis
23. Efficient Market Theory
24. Recent Developments in the Indian Stock Market
25. Case studies and Presentation

**REFERENCES:**

1. Chandra P(2005), Fundamentals of Financial Management, Tata Macgraw Hill, India
2. Chandra P(2008), Financial Management: Theory and Practice, Tata Macgraw Hill, India
3. Foerster (2003), Financial Management: A Primer, W W Norton.
4. Home James(2007), Fundamentals of Financial Management, Pearson Education, India.
5. Jain P.K.(2007), International Financial Management, Macmillan India Limited
6. Khan and Jain(2007), Financial Management, Tata Macgraw Hill, India
7. Kulkarni and Satyaprasad (2002), Financial Management, HPH, India.
8. Pandey (2007), Financial Management, Vikas Publishing House, India
9. Barua, Verma and Raghunathan(2003) portfolio Management , TMH
10. Chandra p(2006), Investment Analysis and Portfolio Management, TMH.

**VEER NARMAD SOUTH GUJARAT UNIVERSITY**  
**M.Com. Part – II**  
**(Modern Finance)**

**Accounting for Financial Decision Making Paper - VI**  
**(To come in force from 2010-11)**

**Objectives :**

1. To acquaint the student with recent trends in accountancy
2. To develop in them the skill to analyze the financial accounting data for managerial decisions.

**1. Management Accounting :**

Meaning, nature, scope and functions of management accounting; Role of management accounting in decision making; Management accounting vs. financial accounting; Tools and techniques of management accounting.

**2. Budgeting for Profit Planning and Control :**

Meaning of budget and budgetary control ; Types of budgets ; Cash budget ; Fixed and flexible budgeting; Control ratios; Zero base control; Objectives; Merits and limitations of budgeting; Responsibility accounting; Performance budgeting. ( Practical problem only relating to cash budget and flexible budget .)

**3. Cost-Volume - Profit Analysis and break - even Analysis**

Objectives, assumptions and limitations of CVP analysis - Types of break - even analysis - Assumptions and limitations of break - even charts - Profit volume charts - Break - even analysis with one key factor.

**4. Cost of Capital**

Concept - Computations of cost of equity capital (including new equity issue) - Cost of preference capital - Cost of debt - Cost of retained earnings - Weighted average cost of capital.

## **5. Capital budgeting**

Concept - Objectives - Importance of capital budgeting - Kinds of capital investment proposals - Factors affecting capital investment decisions - Appraisal methods - Capital budgeting under risk and uncertainty - Sensitivity analysis.

## **6. Inflation Accounting**

Meaning - Importance - Limitations of Historical Accounting - Methods of accounting for changing prices - Current purchasing power method (CPP) - Current Cost Accounting Method (CCA) - Preparation of adjusted financial statements.

## **7. International Financial Management (Only Theory)**

Reasons for investing abroad - Basic problem in International Financial Management - Foreign Currency Management - Financing Multinational Organization - Mode of Payment in International Trade.

### **Note :**

1. Problems carrying not less than 80% of the total marks shall be asked.

### **References :**

- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Advanced Accounting - S. N. Maheshwari.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Contemporary Accounting, Issues By Jawarlal, Published by Vision Books, New Delhi.
- Principles of Management Accounting by Manmohan and S. N. Goyal, Sahitya Bhavan, Agra.
- Human Resource Accounting - Gupta; Sultan Chand & Sons.
- Inflation Accounting - Gupta; Sultan Chand & Sons.
- Practical Financial Analysis - Foulke R. A.
- Techniques of Financial Analysis - Erich A. Illefert.
- Accounting Standards - Indian & International - N. Das Gupta; Sultan Chand & Sons.

- Advanced Accounting - Tulsian; Tata. McGraw Hill.
- Management Accounting - Dr. S. P. Gupta; Sahitya Bhavan, Agra.
- Accounting Theory - L. S. Porwal; Tata McGraw.
- Wheldon's Acost Accounting - L. W. J. Owler & J. L. Brown; Pitman Publishing Ltd., London.
- Cost Accounting - N. K. Agrawal; Global Business Press.
- Financial Accounting - S. KR. Paul; New Central Book Agency (P) Ltd., Kolkata.
- Advance Accounting Vol. I & II - R. L. Gupta; Sultan Chand & Co., New Delhi.
- Management Accounting & Financial Control - S. N. Maheshwari Sultan Chand & Co., New Delhi.
- Advance Management Accounting - Ravi M. Kishore; Taxmann Allide Services (P) Ltd., New Delhi.
- Management Accounting Tools & Techniques - N. Vinaykam & I. B. Sinha; Himalaya Publishication House, Mumbai.
- Advance Accounting - M. C. Shukla & T. S. Grewal; S. Chand & Company, Mumbai.
- Advance Accounting - R. L. Gupta & M. Radhaswamy; Sultan Chand & Co., New Delhi.
- Multinational Financial Management - Alan C. Shapiro, Prentice - Hall of India, New Delhi.
- International Financial Management - P. G. Apte; Tata MC Graw, Hill Publishing Company Ltd., New Delhi.