

ST. JOSEPH'S COLLEGE (AUTONOMOUS)

BENGALURU 560 027



Course Structure and Syllabus for

**Post Graduate Diploma in
Financial Management
(PGDFM)**

(Two Semester Course)

2021 batch onwards

**SCHOOL OF COMMERCE AND
MANAGEMENT**

St. Joseph's College (Autonomous)

School of Commerce and Management Post Graduate Diploma in Financial Management (PGDFM)

OBJECTIVE:

The main objective of this course is to develop knowledge, skills and an integrated perception of various functions of financial management. In line with the vision and mission of the institution, the Post Graduate Diploma in Financial Management programme is designed to provide the students with knowledge, skills and attitude for a successful career in finance.

OVERVIEW

The PGDFM Course is to acquaint the students with financial problems faced by the business organizations and equip them to find out proper solutions to resolve the concerned issues. The course will prepare the students in the specialized fields of financial management, such as, fixed capital management, working capital management, portfolio management etc. The thrust of the financial management course is to prepare students for better understanding of financial statements, financial tools for decision making and their application and usefulness to business houses; management of working capital and financial investment analysis etc.

ELIGIBILITY REQUIREMENTS FOR ADMISSION TO PGD COURSE

Graduates from any recognized University. An executive/professional seeking admission for the programme must possess Bachelor's Degree of any Statutory University or any other recognized Foreign University.

ADMISSION:

Candidates must note that if selected, admission is provisional and subject to admission rules – until all documents are submitted to the College office.

Any candidate who has obtained a Bachelor Degree from a recognized University or any other recognized Foreign University securing not less than 50% mark shall be eligible to apply for the PGD Program.

In the case of SC/ST/Cat-I/Differently abled candidates, and those who are appointed as teachers, librarians and physical education personnel in colleges and University Departments, the minimum marks shall be 45% provided the employees are continuing in service at the time of submission of application for registration.

DURATION OF THE COURSE

The duration of the PGDFM Program shall extend over 2 semesters (One academic year) of 16 Weeks or more each with a minimum of 90 actual working days of instruction each semester and two weeks of examination.

ASSESSMENT:

Total marks each subject	=	100
Internal marks each subject	=	30
External marks each subject	=	70

The final total assessment of the candidate is made in terms of an internal assessment and external assessment for each course.

For each paper, 30% marks will be based on internal assessment and 70% marks will be based on external examination unless otherwise stated.

The internal marks will be communicated to the COE at the end of each semester, but before the semester examination.

The internal marks will be considered for the declaration of the results

INTERNAL ASSESSMENT FORMAT

1. First Activity	15 marks
2. Second Activity	10 marks
3. Attendance	5 marks
Total	30 marks

Internal Evaluation Components:

Assignment, Presentation, Quizzes, Case Study etc

External Marks:

St Josephs College will conduct subjective exam for external examination.

QUESTION PAPER PATTERN

The question papers of the theory examinations should follow the pattern specified below:

Section	Marks for each question	Number Of Questions		Total Marks
		Total	Should Answer	
A	2	10	10	20
B	6	7	5	30
C	10	3	2	20
Total Marks				70

While selecting the questions importance should be given to all major units.

Syllabus structure

PGDFM

Semester I						
Sl no	Subject code	Subject title	Credits	CIA	ESE	Total
1	PGDFM - 01	Research Methodology	4	30	70	100
2	PGDFM - 02	Working Capital Management	4	30	70	100
3	PGDFM - 03	Financial Decisions	4	30	70	100
4	PGDFM - 04	Financial Markets & Services	4	30	70	100
5	PGDFM - 05	Training Project Report / Internship report	4	Graded		
			20	120	280	400
Semester II						
Sl no	Subject code	Subject title	Credits	CIA	ESE	Total
6	PGDFM - 06	International Financial Management	4	30	70	100
7	PGDFM - 07	Behavioural Finance	4	30	70	100
8	PGDFM - 08	Security Analysis And Portfolio Management	4	30	70	100
9	PGDFM - 09	Financial Analysis & Modelling	4	30	70	100
10	PGDFM - 10	Dissertation, seminar, viva-voce	8			200
			24			600

SEMESTER I

PGDFM 01: RESEARCH METHODOLOGY

Objectives:

The objective of this course is to develop the research skills of the students in investigating into the business problems with a view to arriving at objective findings and conclusions and interpreting the results of their investigation in the form of systematic reports.

Learning outcomes

- To make students appreciate the role of research in business decisions.
- To equip students with tools and techniques of business research.

Unit I: Basic Research Concepts

(8 hours)

Business Research – Meaning, types, process of research- management problem, defining the research problem, formulating the research Hypothesis, developing the research proposals, research design formulation, sampling design, planning and collecting the data for research, data analysis and interpretation. Research Application in business decisions, Features of good research study.

Unit II - Research Design

(14 hours)

Types of Business Research Design: Exploratory and Conclusive Research Design Exploratory Research: Meaning, purpose, methods –secondary resource analysis, comprehensive case methods, expert opinion survey, focus group discussions. Conclusive research Design - Descriptive Research - Meaning, Types – cross sectional studies and longitudinal studies. – Experimental research design – Meaning and classification of experimental designs- Pre experimental design, Quasi-experimental design, True experimental design, statistical experimental design. Observation Research – Meaning – Uses – Participation and Non-participation – Evaluation – Conducting an Observation study – Data collection.

Unit III - Sampling

(12 hours)

Sampling: Concepts- Types of Sampling - Probability Sampling – simple random sampling, systematic sampling, stratified random sampling, cluster sampling -Non Probability Sampling – convenience sampling- judgemental sampling, snowball sampling- quota sampling - Errors in sampling.

Unit IV - Data collection

(10 hours)

Primary and Secondary data Primary data collection methods - Observations, survey, Interview and Questionnaire, Qualitative Techniques of data collection.

Questionnaire design – Meaning - process of designing questionnaire. Secondary data -Sources – advantages and disadvantages

Preparing the Data for Analysis: Editing, Coding, Classification, Tabulation, Validation Analysis and Interpretation

Unit V – Hypothesis and analysis and report Presentation

(16 hours)

Hypothesis: Meaning, Types, characteristics, source, Formulation of Hypothesis, Errors in Hypothesis Parametric and Non Parametric Test: T-Test, Z-Test, F-Test, U-Test, K-W Test (Theory Only)

Objective - Formulation of credit and collection policies - Designing of credit terms - Discount, the discount period and the credit period - collection policies and procedures - Cost benefits analysis - Trade off - Evaluation of existing and proposed policies.

Unit - III Inventory management (12 hours)

Objective of Inventory - Need for Inventories and the importance of its Management - Determination of optimum level of inventory - Types of Inventory - Inventory Models - Order Quantity - E.O.Q. Model - Order point - Safety Stock - Analysis of investment in inventory - ABC Analysis.

Unit – IV Cash Management (14 hours)

Management of Cash Marketable Securities: Meaning of cash - Motives for holding cash - Need for holding cash - Operating cycle - Objective of Cash management - Marketable securities - Cash cycle - Cash turnover - Minimum Operating cash - Cash release by operations in Inventory turnover - Accounts receivable and Accounts payables - Assumptions - Benefits Cash management Strategies and Techniques - Concentration banking and Lock Box System – Advantages-Cash models.

Unit – V Integrating Working Capital and Capital investment processes (12 hours)

Integrating Working Capital and Capital investment processes: Monetary system; Money market in India; Banking system in India - Review of the system of cash credit - Establishment of Discount & Finance House of India. Working Capital Management and Bank financing - Forms of bank finance - Working capital control and banking policy - Dehejia study group - Chore committee - Tandon committee - Findings and Recommendations - Regulation of the bank credit.

References:

- Bhalla, V.K: (2014) Working Capital Management: Text and Cases, New Delhi, Anmol Pub (P) Ltd., 4th ed.
- Rao P.M. Pramanik A.K.: (2015) Working Capital Management; New Delhi, Deep & Deep Publication.
- Scherr F.C: (2015) Modern Working Capital Management, New Delhi, Prentice Hall of India.

- Hampton J.J & C.L. Wagner: (2012) Working Capital Management, New Delhi, John Willey & Sons.
- Rao P.M (2012) Financial Management: New Methods and Practices, New Delhi, Deep & Deep Publications (P) Ltd.
- Subhash Sharmam, M. Panduranga vithal: Financial Accounting for Management; Text and Cases; New Delhi, Macmillan India Ltd.

SEMESTER I
PGDFM 03 : FINANCIAL DECISIONS

Objectives:

To provide systematic input of knowledge to the students with regard to Capital Investment and Financial Decisions.

Learning outcomes:

- Students can understand the concept of time value of money in financial decisions; Also they study different techniques of financial and investment decisions;
- Understand relationship between capital structure and the value of the firm and to explore the sources of long term finance & design financial strategies.

Unit - I Introduction to Financial Management

(10 hours)

Meaning of financial Management- Objectives of Financial Management-Scope of financial management-Sources of Finance-Advantages & Disadvantages-Role of Finance Manger

Unit - II Financing decisions

(14 hours)

Capital Structure – Capital structure theories – Net income approach, Net operating income approach, Modigliani & Miller approach, Traditional approach- factors influencing capital structure- Difference between capital structure & financial structure.

Unit - III Investment decisions

(14 hours)

Capital Budgeting - Need & Importance of capital budgeting- capital budgeting process-Methods for evaluation of Investment decisions- Lease financing – Lease Vs Buy decision – Hire Purchase and installment decision – Hire Purchase Vs Lease Decision- Investment decisions under conditions of uncertainty – Risk analysis in Investment decisions

Unit - IV Dividend Decisions

(12 hours)

Meaning of Dividend- Types – Forms- Factors determining dividend policy- types of Dividend Policy- Dividend decisions

Unit – V Financial distress

(10 hours)

Consequences, Issues, Bankruptcy, Credit Analysis using Altman Z score - Financial scams- case study.

References:

- Prasanna Chandra, Financial Management, Tata McGraw-Hill, 2012
- Prasanna Chandra, Projects : planning, Analysis, Financing implementation and review, TMH, New Delhi
- Bodie, Kane, Warcus: Investments Tata McGraw-Hill, New Delhi, 2012,
- I.M. Pandey, Financial Management, Vikas Publishing House,2015.
- MY Khan and PK Jain, Financial Management: Text and Problems, Tata Mc Graw-Hill Publishing Co, 2016.
- V. K. Kapoor, Operations Research, Sultan Chand & Sons, New Delhi, 2015.
- Richard Pike & Bill Neale: Corporate Finance & Investment-Decisions and Strategies, 2/e, PHI, New Delhi, 2015.

SEMESTER I

PGDFM 04: FINANCIAL MARKETS AND SERVICES

Objectives:

The course aims at providing the students, advanced knowledge about the Finance markets, and various services provided in those markets. The syllabus is structured in a way which provides adequate information about the roles of intermediaries and its regulating bodies. The course also provides information about the prevailing financial system in India.

Learning outcomes:

- Understand the financial markets and the trading mechanism in the stock exchanges.
- Gain comprehensive knowledge of all aspects relating to financial services industry in India

Unit I – Capital Markets

(12 hours)

Capital markets- meaning; Classification of capital market; growth of stock exchange, stock brokers, functions of stock exchange, Margin trading, Forward trading, Sensex, Nifty, OTCEI (over the counter exchange of India), Depositories-Role of NSDL and CDSL, Clearing Corporations,SEBI as capital market regulator - Objectives ,Functions, Powers, Organization, SEBI and government, SEBI guidelines on primary markets, secondary markets, book building, buyback of shares. Derivatives in India- Introduction to Financial and Commodity Derivatives.

Unit -II Money Markets

(10 hours)

Definition, Money Market and Capital Market and their Features, Objectives, Features of a Developed Money Market, Importance of Money Market, Composition of Money Market, Money Market Instruments, Structure of Indian Money Market, Features of Indian Money

Market , Call Money Market, Recent Developments, the role of RBI and Commercial Banks in the Indian Money market.

Unit III – Introduction to Financial Services

(12 hours)

Financial Services: Concept, Nature and Scope of Financial Services – Regulatory Framework of Financial Services- Financial Services Industry – Emergence – Growth & Development of Financial Services in India – Fund Based and Non-fund-based activities – Modern activities – New Financial Products and Services – Challenges Ahead.

Unit IV – Other Financial Services

(14 hours)

Credit Rating – Concept, Benefits, Functions – Credit Rating Process– Debt Rating System of CRISIL, ICRA and CARE. Factoring, Forfeiting and Bill Discounting – Types of Factoring Arrangements – Venture Capital – Growth of Venture Capital in India – Financing Pattern under Venture Capital – Legal Aspects and Guidelines for Venture Capital, Leasing – types of Leases – Evaluation of Leasing Option Vs. Borrowing. Securitisation – Mortgage Based Securitisation – Reverse Mortgage Loan (RML)

Unit V – Mutual Funds

(12 hours)

Mutual Funds – Concept and Objectives, Functions, Organization and Management, Types – Schemes – Role of private and Public sector Funds – Evaluation of Performance of Fund Manager – SEBI Guidelines on Mutual Funds. Debt Securitisation – Concept and Application – De-mat Services-need and Operations.

References:

- M.Y.Khan, Financial Services– Tata McGraw –Hill, 3 rd Edition.
- J.C.Verma, A Manual of Merchant Banking , Bharath Publishing House, New Delhi.
- Bhalla. V.K.-Management of Financial Services – Mnmol, New Delhi.
- Bhole&Mahakud, Financial Institutions and Market, TMH, New Delhi
- V.A.Avadhani, Marketing of Financial Services, Himalayas Publishers, Mumbai

SEMESTER I

PGDFM 05: TRAINING PROJECT REPORT / INTERNSHIP REPORT

Objective

The objective is to equip the student with the knowledge of actual functioning of the organization and problems faced by them for exploring feasible solutions and suggestions.

Learning outcomes:

About the report:

At the end of FIRST SEMESTER, every student of PGDFM will undergo on-the-job practical training (Internship) in any manufacturing, service or financial organization. The training will be of 6 to 8 weeks duration. During the training, the student is expected to learn about the organization's Financial management practices and policies and to analyze and suggest solutions of a live problem.

During the course of training, the organization (where the student is undergoing training) will assign a problem/project of the student. The student, after the completion of training will submit a report to the college/institute which will form part of First semester examination. The submitted report is evaluated well in time with external examiner. The report (based on training and the problem/project studied) prepared by the student will be known as **Training Project Report**. The report should ordinarily be based on primary data. It should reflect in depth study of micro problem, ordinarily assigned by the organization where student undergoes training. Relevant tables and bibliography should support it.

Report preparation:

Part one

One comprehensive chapter must be included about the organization where the student has undergone training. This should deal with brief history of the organization, its structure, performance products/services and problem faced. This chapter will form part 1 of the report.

Part Two

The report will contain the study of micro research problem. The average size of report ordinarily will be of 30 to 40 typed pages in standard font size (12) and double spacing. Three neatly typed and soft bound (paper back) copies of the report will be submitted to the college. The report will be typed in A-4 size paper. The report should have two certificates. One by the head of the institute/college and the other by the reporting officer of the organization where the student has undergone training. These two certificates should be attached in the beginning of the report.

Evaluation of the Report

The report will be evaluated by two external examiners. It will carry total of 200 marks divided into written report of 100 marks and presentation of 100 marks. There will be no internal examiner. Only such person will evaluate the project report that has minimum three years of teaching experience PGDFM classes in a college.

It is mandatory that the student will make presentation in the presence of teachers and students.

The student is expected to answer to the queries and questions raised in such a meeting.

SEMSTER II
PGDFM 06: INTERNATIONAL FINANCIAL MANAGEMENT

Objectives:

To familiarize the students with International Financial environment, instruments and institutions. To help students analyze international risk and skills to manage that.

Learning outcomes

- Understand the factors that motivate the business organization to pursue international business and methods of doing business internationally.
- Understand the functions and structure of foreign exchange market and determination of foreign exchange rates

Unit I - An introduction to International Financial Management (10 hours)

Scope of International financial Management - Relevance of IFM- International Financial Management & Domestic Management- Scope of International finance- International business activities & methods-Motivation for international business- Input market- output market

Unit II Foreign exchange market (12 hours)

Foreign exchange market-market participants- Functions of Forex market- Information and communication systems -Forex rates- Forex quotations- Cross rates- Problems on conversion of direct to indirect, cross rate calculation, spread & spot forward transactions- Arbitrage- simple problems on two-point arbitrage and three point arbitrage- Nostro, Vostro accounts –Forward and Future spot rates- simple problems-Foreign Exchange Theories.

Unit III Managing Foreign Exposure Risk (14 hours)

Exchange risk-types of exposure-Tools & techniques of foreign exchange risk management-Management of Translation exposure-Functional versus reporting currency-Translation methods (simple problems related to methods of translation)-Management of Transaction exposure-Risk management products-Management of Economic exposure-Managing economic exposure-Marketing management of exchange risk-production management of exchange risk.

Unit IV International working capital management (14 hours)

Capital Budgeting for MNCs - Working Capital Management for MNCs - Foreign Direct Investment - International Portfolio Investment- Cash management-Objectives of effective international cash management systems-Netting.

Unit V Legal regulations and structure for FDI (10 hours)

FII, Regulations – FDI, advantages and disadvantages – ADR and GDR – Issue Structure. FOREX market, types of rate & participants and risk management in FOREX

References:

- Eietemanetal David K., (2015) Multinational Business Finance. Pearson Education.
- Vij Madhu.,(2012). International Financial Management. New Delhi: Excel Books.
- Avadhani B.K (2015) International Finance Theory and Practice, Himalaya Publishing House, New Delhi
- Aswathanarayana T & K. Rajeswari (2013) International Finance – Vision Book House
- Timothy Carl Kesta (2014), Case and Problems in International Finance, TMH

- R.M Srivastava (2015) Multinational Financial Management, Pragathi Publications

SEMESTER II
PGDFM 07: BEHAVIOURAL FINANCE

Objectives:

The objective of this paper is to introduce the students to the role of human behavior in financial decision making. This will enable them to understand some psychological biases which lead to various anomalies.

Learning outcomes:

- Understand and critically discuss the differences between a behavioural finance perspective and a traditional finance perspective
- Understand and critically discuss the cognitive biases and errors of judgment that affect financial decisions and critically evaluate behavioural influences involving individuals investment decisions
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Unit I Introduction to Behavioural Finance (10 hours)

Behavioral Finance-Meaning, Definition, Standard Finance vs Behavioral Finance, History of Behavioral Finance, Investor behavior and asset Allocation, Trading and Investment Strategies in Behavioral Finance

Unit II Prospect Theory & Mental Accounting (12 marks)

Prospect Theory - Meaning, Concept, Types of Prospect theory, Characteristics of Loss Aversion theory, Prospect theory & Loss Aversion: How Users make decisions.
Mental Accounting- Meaning, Definition, Concept of Mental Accounting, Advantages & Disadvantages of Mental Accounting, Examples of Mental Accounting.

Unit III Heuristics and Biases in Behavioral Finance -I (12 hours)

Loss Aversion Bias, Endowment Bias, Affinity Bias, Anchoring and Adjustment Bias, Outcome Bias, Snake Bite Effect, Illusion of Control, Availability Bias, Self-Attribution Bias, Recency Bias.

Unit III Heuristics and Biases in Behavioral Finance- II (14 hours)

Cognitive Dissonance Bias, Self-Control Bias, Confirmation Bias, Hindsight Bias, Narrative Bias, Representativeness Bias, Overconfidence Bias, Paradox of Choice, Herd Behavior.

Unit V Individual Investors Behavior in Financial Market (14 hours)

Financial Literacy & Behavior, Market Friction Effects on Household Investment Behavior, The Effects of Behavioral Biases on Household Investment Behavior, Risk Taking Behavior, Gender Differences in Decision making, Demographic and Socioeconomic Factors of Investors, Money and Happiness: Implications for Investor Behavior, Financial Therapy, Neuro finance.

Reference books:

- Nofsinger, J. (2014), The Psychology of Investing, 5th edition (international edition), Pearson

- Kahneman, Daniel & Tversky, Amos. (2012). Choices, Values and Frames. Cambridge University Press
- Shleifer, Andrei. (2014) Inefficient Markets-An Introduction to Behavioral Finance. Oxford University Press
- Ackert, L. and Deaves, R. (2010), Behavioral Finance: Psychology, Decision-Making, and Markets, 1st edition, South-Western
- Baker, K. and Nofsinger, J. (2010), Behavioral Finance: Investors, Corporations, and Markets, John Wiley
- Montier, J. (2010), Behavioural Finance, John Wiley

SEMESTER II

PGDFM 08: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Objectives:

- To familiarize the students about investment decisions and Portfolio Management.
- To help students in having a clear idea about portfolio decisions.

Learning objectives

- Students gain knowledge of framework of different financial instruments, their risk and returns and their usefulness while constructing portfolios.
- It familiarize students with portfolio construction and management techniques and strategies.

Unit I Macro Analysis and Micro-Valuation Of Stock Market (12 hours)

Macro market Analysis – Economic Activity and Security Markets - Economic series and Stock prices; the cyclical Indicator approach etc.

Industry Analysis –The business cycle and Industry sectors - Structural Economic changes - Evaluating the Industry Life Cycle - Company Analysis and Stock Valuation – Company analysis versus valuation of stock - Company analysis - Estimating intrinsic value - Additional measures of relative value - Analysis of Growth companies - Valuation of Alternative Investments .

Technical Analysis – Advantages - Technical Trading rules - indicators Efficient Capital Markets –Alternative Efficient Market Hypotheses - Tests and results of EMH - Implications of Efficient Capital Markets

Unit II Portfolio Management Theory (12 hours)

introduction to Portfolio Management - Some background assumptions - Markowitz Portfolio Theory - introduction to Asset Pricing Models – Capital Market Theory - The Capital Asset Pricing Model - Expected Return and Risk - Relationship between Systematic Risk and Return - The Market Portfolio - Theory Vs Practice Multifactor Models of Risk and Return – Arbitrage Pricing Theory.

Unit III Portfolio Management Strategies (12 hours)

Equity Portfolio Management Strategies – Passive Vs Active Management; Overview of Passive Equity Portfolio Management Strategies; Overview of Active Equity Portfolio Management Strategies; An overview of style analysis; Asset allocation strategies

Unit IV Bond Valuation and Bond Portfolio Management Strategies (12 hours)

Bond Valuation; Computing Bond Yields, Calculation of future bond prices; Yield curve, Determination of interest rates, Passive and Active Bond Portfolio Management Strategies.

Unit – V Evaluation of Portfolio Performance (12 hours)

Evaluation of Portfolio performance – Composite Portfolio Performance measures; Application of Portfolio performance measures; Evaluation of bond portfolio performance.

References:

- Reilly & Brown, (2016) Investment Analysis & Portfolio Management , New Delhi: Thomson Publications,
- Chandra Prasanna, (2015) Investment Analysis and Portfolio Management, New Delhi: Tata McGraw – Hill Publications
- Fischer and Jordan. (1975). Security Analysis and Portfolio Management. Prentice Hall.
- Joseph R, Perella, (2009), Investment banking:Valuation, Leveraged buyout, & Merger and Acquisitions,Wiley finance.
- Joshua Rosenbaun, (2009), Investment banking:Valuation, Leveraged buyout, & Merger and Acquisitions, Wiley finance.

SEMESTER II

PGDFM 09: FINANCIAL ANALYSIS & MODELLING

Objectives:

It develops an insight into the financial analysis & Modelling and understand the use and importance of development of financial models.

Learning Objectives

Provide students with a conceptual and analytical framework of Financial Modelling and enable the students to build further on the concepts which were learnt through traditional valuation techniques.

Unit I Introduction to Financial Modelling (10 hours)

Models – financial models – model requirements and defining a task list – structuring financial models – financial modelling standards – Model review – errors in financial models - Error detection – Tests and analysis tools for error detection – Control calculations – sensitivity analysis – scenario analysis.

Unit II Development of Financial Model (12 hours)

Developing a financial model – define task list and identifying key tasks – visualizing abstract relations – structuring and documenting a financial model – Key combinations and sequences in Excel – Creating a proto type – formula sheet – add-ins – usage conditional formatting in models.

Unit III Modelling with Macros (12 hours)

Preparing excel for macros – Macro recorder – programming with VBA – variables and data types – conventions for variable names – declaring a variable – Programming with cells and ranges – Loops – Reading data with input box – data output with Msg Box – creating own dialogue – creating charts with VBA

Unit IV Models for Investment appraisals (14 hours)

Dynamic investment appraisal methods -Models for NPV, IRR and Annuity method in Excel – Company valuation using DCF models – WACC approach – APV approach- Equity approach – sensitivity analysis – scenario analysis – Corporate valuation using market capitalization and book value – valuation process with Trading multiples - valuation process with transaction multiples – football field graph – project valuation models

Unit V Portfolio Optimization (12 hours)

Active and passive portfolio management – solving optimization problems using Excel solver – matrix operations – absolute and relative optimization – quadratic optimization - constrained regression - Linear optimization – Option pricing – models for determining option price – four basic option strategies – long call , short call , long put and short put – Future contracts – pricing of future contracts – index futures – interest rate futures – currency futures – commodity futures.

Reference books

- Häcker, Joachim & Ernst, Dietmar (2019), Financial Modelling: An Introductory Guide to Excel and VBA Applications in Finance, Palgrave McMillan publishers
- Fairhurst, Danielle (2019). Using Excel for Business and Financial Modelling: A Practical Guide, Wiley Publishers
- Damodaran, A. (2016). Applied corporate finance: A user's manual (2nd Ed). New Delhi. Wiley India.
- Smith, C. (1990). The Modern Theory of Corporate Finance (2ND Ed). New Delhi: Tata McGraw-Hill.

PGDFM - 10 - Dissertation

A project is a scientific and systematic study of real issue or a problem intended to resolve the problem with application of management concepts and skills. It enables the students to apply their conceptual knowledge in a practical situation and to learn the art of conducting a study in a systematic way and presenting its findings in a coherent report.

The choice of organization is restricted to banking, insurance, stock broking, mutual fund, foreign exchange, etc., and the topic chosen for study should be pertaining to the issues relating to financial services domain.

The students should get approval from the faculty guide before finalization of the topic for project. The project work has 8 credits. The duration of study will be from 4 to 6 weeks in any select financial service company.

At the end, the students should submit a “Dissertation report” in the prescribed manner to the institution. It will be essential for each candidate to submit the Dissertation before the examination for theory paper commences. The candidates who fail at the examination but obtain minimum 40% marks in Dissertation, will not be required to again submit Dissertation and re-appear at the Seminar and Viva-voce while subsequently re-appearing for theory examinations.

Objective:

- The aim of the dissertation is to test the independent research skills students have acquired during the diploma programme. The course is designed to acquaint the students with methods of conducting systematic inquiry in the Financial Management.
- The course familiarizing the students with the different research methods and techniques will also focus on the considerations which enter into every step of the research process and understand the usage and limitations of techniques in data analysis.
- Equip students with skills and knowledge needed to undertake the research project competently.
- The course will also enable the students to critically evaluate empirical literature in the field of management.
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Learning Outcome:

Students need to demonstrate the following skills:

- Defining and outlining a research area with a clear question
- Identifying the leading issues
- Sourcing the relevant information
- Assessing its reliability and legitimacy
- Evaluating the evidence on all sides of a debate
- Coming to a well-argued conclusion
- Organizing and presenting the outcomes of your work critically.

Dissertation guidelines

- The dissertation shall be undertaken during the second semester
- The dissertation shall be for 200 marks with 8 credits
- Compulsory for all students and internal guides would be allotted for the same
- Students shall select the research problem from business organisations or on freelance topics in the discipline of commerce and management subject to the approval of the internal guide
- The students shall seek guidance from the internal guides on a continuous basis.

On completion of the dissertation, the students shall submit 2 copies of their reports in the prescribed format and a soft copy of the same to the department.

Dissertation evaluation guidelines:

- The dissertation shall be evaluated on a total of 200 marks,140 for the report and 60 for the viva
- 80 marks out of the 140 shall be awarded by the internal guide and 60 marks by the external expert
- The viva voce shall be conducted by a combined panel of external experts and internal faculties
- The average of the marks of the panel would be considered for the VIVA
- The minimum passing marks for the dissertation shall be 40%.

Report Presentation:

The report will contain the objectives and scope of the study. Research Methodology, use, importance of the study, analysis of data collected, conclusions and recommendations. It will contain relevant charts, diagrams and bibliography.

A certificate of the supervisor and the College certifying the authenticity of the report shall be attached therewith. The student will submit three copies of the report to the College. The number of pages in the report will be 100 or more. The report should be typed in A-4 size paper.

Comprehensive Viva

The comprehensive viva voce is scheduled at the end of it at the end of the second semester in order to judge the understanding as well as application of the knowledge gained by the students by the end of the semester of the course. This is also to see the articulation of what is being learnt by them. This is also to see the articulation of what is being learnt by them. The idea is to see that students are able to digest what is being taught in two full semester and see their relevance not only in the practical field but also their inter relationship.

