

**MMS SEMESTER - III**  
**(Core Papers All Specialisations)**

**International Business - 15 Sessions of 3 Hours 100 Marks Sem III Core  
(University Assessment)**

<b>SL. No.</b>	<b>Particulars</b>	<b>No. of Sessions</b>
01	<p><b>Introduction to International Business</b></p> <p>a) Objective, Scope, Importance and Current Trends  b) Domestic Business v/s International Business  c) Reasons For International Business - For Corporates and Country  d) Modes of Entry and Operation</p>	<b>2 Sessions of 3 Hours</b>
02	<p><b>PEST Factors and Impact on International Business</b></p> <p>a) Risk Analysis  b) Decisions to overcome or managing risks - a live current case</p>	<b>1 Session of 3 Hours</b>
03	<p><b>Investment Management in International Business</b></p> <p>a) Foreign Direct Investment  b) Offshore Banking  c) Foreign Exchange Dealings and numericals in business  d) Resource Mobilization through portfolio/GDR/ADR  e) Other options of funding in ventures and case discussions</p>	<b>1 Session of 3 Hours</b>
04	<p><b>Multinational Corporations</b></p> <p>a) Structure, system and operation  b) Advantages and Disadvantages - Case discussion  c) Current Opportunities of Indian MNCs and Case discussion  d) Issues in foreign investments, technology transfer, pricing and regulations; International collaborative arrangements and strategic alliances.</p>	<b>1 Session of 3 Hours</b>
05	<p><b>Globalization</b></p> <p>a) Concept and Practice  b) Role of Global Organisation and Global Managers  c) Stages of building Global companies and competitiveness  d) Global competitive advantages of India - Sectors and Industries - Case study</p>	<b>2 Sessions of 3 Hours</b>
06	<p><b>International Organisations and their role in international business</b></p> <p>a) WTO  b) World Bank  c) ADB  d) IMF and others Case study</p>	<b>1 Session of 3 Hours</b>

07	<b>Regional Trade Agreements and Free Trade Agreements (RTA and FTA)</b>  a) NAFTA b) EC c) ASEAN d) COMESA e) LAC f) Others - Case Study	<b>1 Session of 3 Hours</b>
08	<b>Trade Theories and relevance in International Business</b>  a) Absolute advantage b) Comparative advantage c) Competitive advantages d) Purchasing power points e) PLC theory f) Others - Case study	<b>1 Session of 3 Hours</b>
09	<b>International Logistics and Supply Chain</b>  a) Concepts and Practice b) Components of logistics and impact on trade c) Others - Case Study	<b>1 Session of 3 Hours</b>
10	<b>International HR Strategies</b>  a) Unique Characteristics of Global HR b) HR - Challenges c) Ethical Issues d) Regulator, Aspects of HR e) Others - Case Study	<b>1 Session of 3 Hours</b>
11	Emerging Developments and Other Issues: Growing concern for ecology; Counter trade; IT and international business.	<b>1 Session of 3 Hours</b>
12	<b>Case Studies and Presentations</b>	<b>2 Sessions of 3 Hours</b>

### Reference Text

1. International Business - Daniels and Radebough
2. International Business - Sundaram and Black
3. International Business - Roebuck and Simon
4. International Business - Charles Hill
5. International Business - Subba Rao
6. International Business - Alan Sitkin & Nick Bowen - Oxford Publications
7. International Business: - Concept, Environment & Strategy - Vyuptakesh Sharan - Pearson Publications

**Strategic Management 100 marks (15 Sessions of 3 Hours Each) Sem III  
Core**

SL.No	Particulars	Sessions
1	Introduction to Strategic Management	<b>1 Session of 3 Hours Each</b>
2	Strategic Management Process : Vision, Mission, Goal, Philosophy, Policies of an Organisation	<b>1 Session of 3 Hours Each</b>
3	Strategy, Strategy as planned action, its importance, Process and advantages of planning Strategic v/s Operational Planning	<b>1 Session of 3 Hours Each</b>
4	<b>Strategy Choices</b> Hierarchy of Strategies Types of Strategies Competitive Strategies and Strategies for different industries and company situations Strategy Development for Non-profit, Non-business oriented organizations Mckinse 7 S Model: Strategy, Style, Structure, Systems, Staff, Skills and Shared values.	<b>2 Sessions of 3 Hours Each</b>
5	<b>External and Industry Analysis</b> General Environment Industry / Competitive Environment , Identifying industry's dominant features Porter's Five Forces of Competitive Analysis Analytic Tools: EFE Matrix and CPM	<b>1 Session of 3 Hours Each</b>
6	<b>Internal Analysis</b> Assessment of Company Performance Management & Business Functions Framework Other Frameworks for Organisational and Internal Analysis Analytical Tool: IFE Matrix	<b>1 Session of 3 Hours Each</b>
7	<b>Strategy Analysis and Formulation Tools</b> SWOT Matrix SPACE Matrix BCG Matrix IE Matrix GE ± McKinsey Matrix Grand Strategy Matrix Strategy Mapping and the Balanced Scorecard	<b>1 Session of 3 Hours Each</b>
8	Growth Accelerators: Business Web, Market Power, Learning based.  Management Control, Elements, Components of Management Information Systems	<b>1 Session of 3 Hours Each</b>

9	<b>Strategy Evaluation and Control</b> Performance Measurement and Monitoring	<b>1 Session of 3 Hours Each</b>
10	Financial Projections and Financial Impact of Strategies	<b>1 Session of 3 Hours Each</b>
11	<b>Miscellaneous Management Topics</b> Social Responsibility Environmental Sustainability Value Chain Analysis Economic Value Added (EVA) Market Value Added (MVA) Strategic Issues in a Global Environment	<b>2 Sessions of 3 Hours Each</b>
12	Case Studies and Presentations	<b>2 Sessions of 3 Hours Each</b>

### Reference Text

1. Strategic Management - Thompson & Strickland McGraw Hill Irwin
2. Competitive advantage - Michael Porter
3. Competitive strategy - Michael Porter
4. Strategic Management - N Chandrasekaran & P.S Ananthanarayanan - Oxford Publications
5. Understanding Strategic Management - Anthony Henry - Oxford Publications
6. Concepts in Strategic Management & Business Policy - Toward Global Sustainability - Thomas L Wheelen, J David Hunger - Pearson Publications

**MMS SEMESTER - III FINANCE  
MAJORS**

**Advanced Financial Management University Assessment 15 Sessions of 3 Hours 100 Marks Sem III Major**

<b>SL. No.</b>	<b>Particulars</b>	<b>No. of Sessions</b>
01	Indian Financial System: Functions of the financial system; Financial Assets; Financial markets; Financial intermediaries; Regulatory system	<b>1 Session of 3 Hours</b>
02	Analysis of Leverage: Operating, financial and total	<b>1 Session of 3 Hours</b>
03	Theory of capital structure: Net income approach; Net operating income approach; MM approach; Traditional approach; Designing capital structure and factors affecting capital structure.	<b>2 Sessions of 3 Hours</b>
04	Dividend Policy: Factors affecting dividend policy decision; Dividend decision models; Walter model; Gordon model; MM approach	<b>1 Session of 3 Hours</b>
05	Financial Planning and Forecasting: Meaning and importance of financial planning; Approaches to financial planning; Proforma profit & loss account; Proforma balance sheet; Growth and external financing requirements	<b>1 Session of 3 Hours</b>
06	Corporate valuation and Value Based Management: Valuation concepts; Valuation of equity, Valuation of debt instruments, Corporate valuation approaches; various approaches and concepts of EVA & MVA	<b>2 Sessions of 3 Hours</b>
07	Project Financing and Appraisal: Sources of long term finances; Institutional considerations; Venture capital; SEBI Guidelines	<b>2 Sessions of 3 Hours</b>
08	Inflation and Financial Management: Project appraisal and inflation	<b>1 Session of 3 Hours</b>
09	Derivatives and Risk Management: Forward contracts; Futures and Futures contracts; Options and option contracts; Interest rates, currency swaps	<b>1 Session of 3 Hours</b>
10	Investment Banking: Internal and external funding options; Primary issue management; Private placement; ADRs/GDRs; Important SEBI Guidelines / Companies Act provisions pertaining to IPOs; Credit rating agencies and Process	<b>1 Session of 3 Hours</b>
11	Financial Management of PSUs	<b>1 Session of 3 Hours</b>
12	Financial Management of sick units	<b>1 Session of 3 Hours</b>

**Reference Books; -**

- |  |   |                               |
|--|---|-------------------------------|
| 1. Financial Management ± Theory & Practice            | - | Prasanna Chandra              |
| 2. Financial Management ± Text, Problems & Cases       | - | M. Y. Khan & P. K. Jain       |
| 3. Financial Management                                | - | I. M. Pandey                  |
| 4. Financial Management                                | - | E. F. Brigham & J. F. Houston |
| 5. Financial Management & Policy<br>Managerial Finance | - | Van Horne                     |

**Security Analysis and Portfolio Management 15 Sessions of 3 Hours 100 Marks Sem III Major**

<b>SL.No</b>	<b>Particulars</b>	<b>Sessions</b>
1	<p>Risk And Return</p> <p>Risk and return in each asset class - equity, fixed income, MF etc.</p> <ul style="list-style-type: none"> <li>· Simple determination of stock market price using time value of money - simple one period and multi period case.</li> <li>· Return on common stock under uncertainty, for a single stock Expected Return, Variance of Return, Concept of probability Distribution of Returns.</li> <li>· Co-movement of two Assets returns, Measuring of Covariance definition and Simple Numerical Example, Correlation Coefficient</li> <li>· Two asset portfolio case, expected return and variance of returns of a Two asset Portfolio Simple Numerical Example and Graphical Illustration</li> <li>· Diversification of Risk, Systematic and Unsystematic risk</li> </ul>	<b>2 Sessions of 3 Hours</b>
2	<p>MODERN PORTFOLIO THEORY</p> <ul style="list-style-type: none"> <li>· General N-asset Portfolio Problem, Markes Model: Objectives Function and Constraints, Meaning of Efficient Frontier / Set, Concept of CML (Capital Market Line), Concept of Market Portfolio, Risk Free rate, Borrowing and Lending rates.</li> </ul>	<b>2 Sessions of 3 Hours</b>
3	<p>SHARP'S SINGLE INDEX OR MARKET MODEL:</p> <ul style="list-style-type: none"> <li>· How Asset Returns move with the market.</li> <li>· Slope of security Market Line (SML)</li> <li>· Properties of any asset on the line.</li> <li>· Assumptions and some empirical evidence of CAPM</li> <li>· Arbitrage pricing theory - Introduction</li> </ul>	<b>2 Sessions of 3 Hours</b>



4	<b>CAPITAL ASSET PRICING MODEL:</b> <ul style="list-style-type: none"> <li>· Statement of CAPM.</li> <li>· Slope of security Market Line (SML)</li> <li>· Properties of any asset on the line.</li> <li>· Assumptions and some empirical evidence of CAPM</li> <li>· Arbitrage pricing theory ± Introduction</li> </ul>	<b>2 Sessions of 3 Hours</b>
5	<b>EFFICIENT MARKET HYPOTHESIS (EMH) :</b> <ul style="list-style-type: none"> <li>· Random walk theory</li> <li>· Weak, Semi-Strong and Strong form</li> <li>· Empirical Evidence of EMH</li> <li>· Anomalies in the markets: Firm Size Effect, January Effect, Monday Effect.</li> </ul>	<b>2 Sessions of 3 Hours</b>
6	<p>Hedging, speculation and managing risk - return balance</p> <p>Effect of taxation on investment decision, permissible deductions, exemptions, tax free investments, tax lots and loss harvesting</p> <p>Asset allocation basics - as per IPS, tolerance definitions, substitution rules</p> <p>Weighted average cost of capital, portfolio beta and risk premium</p> <p>Using fundamental analysis for security selection and technical analysis for timing of orders</p> <p>Investor behaviour analysis - cyclic nature, need induced decisions, tax dependencies, risk and return expectations, modeling using intelligence derived from behavioural analysis</p>	<b>2 Sessions of 3 Hours</b>
7	<b>PORTFOLIO PERFORMANCE MEASURES</b> <ul style="list-style-type: none"> <li>· Sharp Index</li> <li>· Treynor Index</li> <li>· Jensen's Measure</li> <li>· Empirical Test of Mutual Fund Performance &amp; EMH</li> </ul>	<b>1 Session of 3 Hours</b>
8	Case Studies and Presentations	<b>2 Sessions of 3 Hours</b>

**Reference Text:**

1. Security Analysis and Portfolio Management (6th Edn.) By Donald Fischer and Ronald Jordan, Prentice Hall of India (1995)
2. Securities Analysis and Portfolio Management , Prasanna Chandra, Tata McGraw Hill (2002 )

## Corporate valuation 15 Sessions of 3 Hours 100 Marks Sem III Major

SL.No	Particulars	Sessions
1	Approaches to Valuation	<b>1 Session of 3 Hours</b>
2	Valuation Tools: An overview The Time Value of Money, Risk Measurement, Accounting data, Statistics, Looking for Relationships in the Data Purposes For Valuation And Various Special Situations	<b>1 Session of 3 Hours</b>
3	Discounted Cash Flow Valuation a. Basics b. Estimating Inputs Discount Rates Growth flows Growth Growth Patterns c. Choosing the Right Model d. Loose Ends Dealing with Cash and Cross Holdings Dealing with Management Options/ Warrants/ Convertibles e. Examples of Valuation	<b>2 Sessions of 3 Hours</b>
4	Relative Valuation a. Basics and Tests b. Multiples PE Ratio PEG Ratios Relative PE Ratios EV/EBIT Multiples Book Value Ratios Sales Multiples Choosing the right multiple	<b>3 Sessions of 3 Hours</b>
5	Brand Name Valuation	<b>1 Session of 3 Hours</b>
6	Valuing Private Companies	<b>1 Session of 3 Hours</b>
7	Option Pricing Applications in Valuation	<b>1 Session of 3 Hours</b>
8	Valuation in Acquisitions	<b>2 Sessions of 3 Hours</b>
9	Value Enhancement : DCF, EVA, and CFROI	<b>1 Session of 3 Hours</b>
10	Case Studies and Presentations	<b>2 Sessions of 3 Hours</b>

**Reference Text:**

- ❖ Koeller, Goedhart, and Wessels, Valuation: Measuring and Managing the Value of Companies, John Wiley & Sons, 4th Edition, 2005.
- ❖ Palepu, Healy, and Bernard, Business Analysis and Valuation Using Financial Statements, Southwestern Publishing, 3rd Edition, 2000.
- ❖ Pereiro, Valuation of Companies in Emerging Markets: A Practical Approach, John Wiley & Sons, 1st Edition, 2002.
- ❖ Ross, Westerfield, Jaffe, Corporate Finance
- ❖ Brearly Myers , Corporate Finance
- ❖ Aswath Damodaran, Valuations
- ❖ Corporate Valuation ± Prasanna Chandra

## Corporate Law 15 Sessions of 3 Hours 100 Marks Sem III Major

SL.No	Particulars	Sessions
1	Definition of Securities U/Securities Contract Regulation Act 1956. -SEBI Act 1992 -Depositories Act 1996 SEBI (Issue of Capital & Disclosure Requirement Regulations 2009) -SEBI Mutual Fund Regulations -SEBI Insider Trading Regulations -SEBI Takeover Code 2011	<b>3 Sessions of 3 Hours</b>
2	FEMA 1999 - Salient Features - Capital Account & Current Account Transactions	<b>2 Sessions of 3 Hours Each</b>
3	DRT Act 1993 - R/W Securitisation Act 2002	<b>2 Sessions of 3 Hours Each</b>
4	Prevention of Money Laundering Act	<b>2 Sessions of 3 Hours</b>
5	Law relating to NBFC (S/45 (I) of RBI Act 1934)	<b>2 Sessions of 3 Hours Each</b>
6	Recovery of Money inclusive of Concept under limitations Act 1963	<b>2 Sessions of 3 Hours Each</b>
7	Case Studies and Presentations	<b>2 Sessions of 3 Hours Each</b>

### Reference Books: -

Banking Regulation Act (Commentary) - Seth, P.R Kulkarni, Justice A.B Srivastava

%DQNHU¶V 0DQXDO - Modern Law Publications

Guide to FEMA with Ready Reckoner and RBI Circulars - T.R Ramamurthy

RBI Act - Private Publication

Guide to Prevention of Money Laundering Act with Rules and Notifications - Ritika Garg and Bharat Agarwal

SEBI Manual Taxmann

FEMA Manual Khilnani - Snowwhite Publishers

NBFC - Taxmann

Corporate Laws by Dr Anil Kumar - International Book House Ltd

**MMS SEMESTER - III FINANCE  
ELECTIVES**

## Commodities Market 15 Sessions of 3 Hours 100 Marks Sem III Elective

SL.No	Particulars	Sessions
1	<p><b>Introduction to Commodity Derivatives</b></p> <p>Introduction to derivatives, products, participants and functions, derivatives markets, difference between commodity and financial derivatives. Evolution of commodity exchanges, global commodity derivatives exchanges, latest developments. The NCDEX platform ± Structure, exchange membership, risk management, clearing and settlement system and commodities traded on the NCDEX platform.</p>	<b>2 Sessions of 3 Hours</b>
2	<p>Historical changes and growth of global and domestic Commodities derivatives markets</p> <p>FCR Act 1952 and Regulatory structure of Commodities Derivatives Markets in India</p>	<b>1 Session of 3 Hours</b>
3	<p><b>Application of Commodity Futures</b></p> <p>Instruments available for trading - Forward contracts, Introduction to futures and options, Payoff for F&amp;O, futures versus options; Pricing commodity futures -Investment assets versus consumption assets, Cost of carry model, Futures basis; Using commodity futures for hedging, Speculation and arbitrage.</p>	<b>2 Sessions of 3 Hours</b>  using
4	<p><b>Trading, Clearing and Settlement</b></p> <p>Trading - Futures trading system, Entities in the trading system, Commodity futures trading cycle, Order types and trading, Parameters, Margins for trading in futures, Charges, Hedge limits; Clearing and settlement - Clearing, Settlement, Risk management, Margining at NCDEX and Standard Portfolio Analysis of Risk (SPAN).</p>	<b>3 Sessions of 3 Hours</b>

5	<ul style="list-style-type: none"> <li>➤ Issues in Agricultural Commodities Markets</li> <li>➤ Issues in Non-Agricultural Commodities Markets</li> </ul>	<b>1 Session of 3 Hours</b>
6	<ul style="list-style-type: none"> <li>➤ Commodities Derivative Exchanges and design of the markets</li> <li>➤ Issues related to Spot price and present practices of commodities exchanges</li> <li>➤ Clearing House operations and Risk Management Procedures</li> </ul>	<b>1 Session of 3 Hours</b>
7	<ul style="list-style-type: none"> <li>➤ Delivery Related Issues like delivery centers, deliverable varieties, assaying</li> <li>➤ Issues related to monitoring and surveillance by Exchanges and Regulator</li> <li>➤ Role of intermediaries in Commodities Markets</li> </ul>	<b>1 Session of 3 Hours</b>
8	<ul style="list-style-type: none"> <li>➤ Basis Risk and its importance in pricing</li> <li>➤ Agricultural Commodity Futures trading pattern in Exchange - Case study</li> <li>➤ Non- Agricultural Commodity Futures trading pattern in Exchange - Case study</li> <li>➤ International commodity indices and as a investment tool for investors</li> </ul>	<b>2 Sessions of 3 Hours</b>
9	Case Studies and Presentations	<b>2 Sessions of 3 Hours</b>

**Recommended books :**

1. Commodities Rising , Jeffery M. Christian , John Wiley & Sons, 2006
2. Dow Jones ± Irwin Guide to Commodities Trading , Bruce Gould , Author House, 2003
3. Commodity Fundamentals , Ronald Spurga, John Wiley & Sons, 2006
4. Commodity Futures & Financial Markets, Louis Philips, 1990
5. The Encyclopedia of Commodity & Financial Spreads , Steve Moore, John Wiley & Sons, 2008
6. International Commodity Markets & The Role of Cartels , Mark s. Lechair, M.E. Sharpe ,2001
7. Commodity Options , Larry D. Spears, Market Place Books, 1993
8. Training The Pits: Technical Approach to Commodity Trading , Robert M. Barnes, John Wiley & Sons,
9. Commodity Options, Terry S. Mayer , Prentice Hall ,1993
10. Structured Products Vol. II Equity , Commodity , Credit & New Markets , Satyajit Das John Wiley & Sons, 2005
11. Breaking Through Success : A Commodity Investor 's Guide Book, Patrick Lafferty & Nell Sloane
12. Managing Commodity Price Risk & Developing Countries , Stijn Claessens & Ronald C. Dunkan, John Hopkins University Press, 1994
13. The Commodities Glossary , Commodity Futures Trading Corporation, International Law & Taxation ,2005



## Fixed Income 15 Sessions of 3 Hours 100 Marks Sem III Elective

SL.No	Particulars	Sessions
1	<b>Understanding Basics Of Bonds Mathematics:</b> <ul style="list-style-type: none"> <li>· Yield to Maturity/Yield to Call</li> <li>· Spot Rates/Forward Rates and Par Yield</li> <li>· Bootstrapping Process for Zero Curve</li> <li>· Yield Curve slope and the theory</li> </ul>	<b>2 Sessions of 3 Hours</b>
2	<b>Understanding Duration and Convexity</b> <ul style="list-style-type: none"> <li>· Measuring Duration and Convexity</li> <li>· Duration of Par /Discount /Premium Bonds</li> <li>· Duration as a Risk Measure</li> <li>· M Square &amp; Key Rate Duration</li> <li>· Barbell, Ladder &amp; Bullet Strategy</li> </ul>	<b>2 Sessions of 3 Hours</b>
3	<b>Bond Management Strategies</b> <ul style="list-style-type: none"> <li>· Active and Passive Management Strategies</li> <li>· Classical and Contingent Immunisation</li> <li>· Duration Based Asset Liability Risk Management</li> </ul>	<b>2 Sessions of 3 Hours</b>
4	<b>Mortgage Backed Securities</b> <ul style="list-style-type: none"> <li>· Mortgage Mathematics</li> <li>· MBS &amp; Asset Securitisation</li> <li>· Securitisation Structures</li> </ul>	<b>2 Sessions of 3 Hours</b>
5	<b>Interest Rate Futures</b> <ul style="list-style-type: none"> <li>· T-bill &amp; T-bond Futures</li> <li>· Duration Based hedging using Futures</li> </ul>	<b>1 Session of 3 Hours</b>
6	<b>Interest Rate Options .</b> <ul style="list-style-type: none"> <li>· Forward Rate Agreement</li> <li>· Caps/Floor/Collar</li> <li>· %ODFN¶V PRGHO RI ,QWHUHVW Option Valuation</li> <li>· Caplet ±Floorlet-Swaplet Parity</li> </ul>	<b>2 Sessions of 3 Hours</b>
7	<b>Interest Rate Swaps</b> <ul style="list-style-type: none"> <li>· Basics Of Swaps</li> <li>· Valuation of Swaps ( Fixed Side)</li> <li>· Forward/Amortising/Asset Swaps</li> <li>· Valuing a Swap during its Life</li> </ul>	<b>2 Sessions of 3 Hours</b>
8	Case Studies and Presentations	<b>2 Sessions of 3 Hours</b>

### Reference Text:

- The Hand Book of Fixed Income Securities- Fabozzi Frank McGraw Hill International.
- Fixed Income Markets & Their Derivatives: Suresh Sunderasan - Thomson Learning.
- Swaps : Richard Flavell - John Wiley Publications.

**Strategic Cost Management 15 Sessions of 3 Hours 100 Marks Sem III  
Elective**

<b>SL.No</b>	<b>Particulars</b>	<b>Sessions</b>
1	Cost Benefit Analysis : with reference to Strategic Business Decision Making - Qualitative & Quantitative aspects.	<b>2 Sessions of 3 Hours</b>
2	Different aspects of Strategic Cost Management: <ul style="list-style-type: none"> <li>· Value Analysis &amp; Value Engineering,</li> <li>· Wastage Control,</li> <li>· Disposal Management,</li> <li>· Business Process Re-engineering,</li> <li>· Total Quality Management,</li> <li>· Total Productive Maintenance,</li> <li>· Energy Audit,</li> <li>· Control of Total Distribution Cost &amp; Supply Cost</li> <li>· Cost Reduction,</li> <li>· Product Life Cycle Costing etc.</li> </ul>	<b>3 Sessions of 3 Hours</b>
3	Activity Based Costing <ul style="list-style-type: none"> <li>· Target Costing</li> </ul>	<b>1 Session of 3 Hours</b>
4	Value Chain Analysis & Long Term Cost Management	<b>1 Session of 3 Hours</b>
5	Objective Based Costing	<b>1 Session of 3 Hours</b>
6	Balance Score Card Concept	<b>1 Session of 3 Hours</b>
7	Cost Audit & Management Audit under companies Act, with reference to strategic assessment of cost & managerial performances.	<b>2 Sessions of 3 Hours</b>
8	Strategic Cost-Benefit Analysis of different business restructuring propositions.	<b>2 Sessions of 3 Hours</b>
9	Entrepreneurial approach to cost Management, with reference to core competencies, strategic advantages & long-term perspective of cost Management.	<b>2 Sessions of 3 Hours</b>
10	Case Studies and Presentations	<b>2 Sessions of 3 Hours</b>

**Reference Text:**

1. Strategic Cost Management - Dr. Govindaraja
2. Strategic Financial Management - Dr. Girish Jakhotiya

**Derivatives and Risk Management 15 Sessions of 3 Hours 100 Marks Sem III Elective**

<b>SL.No</b>	<b>Particulars</b>	<b>Sessions</b>
1	Introduction to Derivatives · Application of Derivatives - for Risk Management & Speculation (Leveraging) · Basic Terms & properties of Options / Futures / Forwards	<b>1 Session of 3 Hours</b>
2	Futures & Forwards · Pricing & Valuation of Futures/Forwards · Risk Management using Futures · Basis Risk · Introduction to Currencies /Commodity/Interest rate futures	<b>1 Session of 3 Hours</b>
3	Mechanics & Properties of Options · Boundry Conditions for options · Put-call parity and its interpretation · Options sensitivity to the o Underlying o Volatility o Strike price o Interest rate o Time to expiration	<b>2 Sessions of 3 Hours</b>
4	Basic Option strategies	<b>1 Session of 3 Hours</b>
5	<b>Trading</b> 1. Directional Strategies (A Call/Put/Bull Call/Spread etc. 2. Volatility based strategies (Straddle/Strangle /Calendar Spread) 3. Economic Rationale behind spreading	<b>1 Session of 3 Hours</b>
6	<b>Risk Management</b> · Protective Put · Covered Call	<b>1 Session of 3 Hours</b>
7	1. Introduction to Option Valuation · Binomial Model for Valuation · Risk Neutral probabilities and their interpretation Binomial Model's application for American options where the underlying pays the dividend · Black & Scholes Model Understanding Weiner& Markov processes Log - Normal distribution ITO - LEMMA & its application in Stochastic processes Using ITO - LEMMA - to derive Black & Scholes Model for stock /currency options Interpreting the B & S formula Seeing Options sensitivity to different variable using Excel	<b>2 Sessions of 3 Hours</b>

8	<p>2. Understanding Options Greeks</p> <ul style="list-style-type: none"> <li>· Delta/Theta/Vega &amp; Gamma risks of options</li> <li>· Understanding option Greeks for various trading strategies (volatility &amp; Directional Spreads)</li> <li>· Delta /Dynamic Hedging and relating the cost of Delta hedging with the option price determined by Black &amp; Scholes - Model.</li> <li>· Elasticity (Beta) of an option in the CAPM framework. This would “clarify” the “risk return” profile (which is often misunderstood for various options trading strategies)</li> </ul>	<b>2 Sessions of 3 Hours</b>
9	<p>3. Options Volatility</p> <ul style="list-style-type: none"> <li>· Historical &amp; Implied Volatility</li> <li>· Volatility Smile</li> <li>· Term Structure of Volatility</li> <li>· Some advance Models of volatility estimation</li> <li>· Value At Risk</li> <li>· Historical Simulation</li> <li>· Model Building Approach</li> <li>· Stress Testing &amp; Back Testing</li> </ul>	<b>2 Sessions of 3 Hours</b>
10	Case Studies and Presentations	<b>2 Sessions of 3 Hours</b>

## Reference Text:

1. Options, Future & Other Derivatives - by John. C.Hull

2. Applied Derivatives - Richard .J. Rendleman, Jr

Special Focus on:

Chap: 2 -- PUT - CALL Parity

Chap : 3 & 4 -- Binomial Option Pricing Models

3. Option Volatility & Pricing - Sheldon Naten Berg

An excellent book from options trading perspective. A handout on option Greeks will be given to

students at the appropriate time.

4. The New Options Market - Max Ansbacher

Again an excellent book from option trading perspective. A handout on trading strategies will be given to the students.

5. Derivatives - The Wild beast of Finance - Alfred Steinherr

This books deals in detail with the following well-known disasters with Derivatives.

Metallgesellschaft – (Rollover Risk)

o Barings (LESSON\$ – CASE) – Highly speculation & Leverages position in Derivatives

o Hedge Funds & the collapse of LTCM (Long Term Capital Management)

Derivatives & Risk Management - Rajiv Srivastava - Oxford Publications

Derivatives & Risk Management - Sundaram Janakiramanan - Pearson Publications

Options , Futures & Other Derivatives - John C Hull, Sankarshan Basu Pearson

Publications

# **Summer Internship Project (All Specialisations) 100 Marks**

