

MMS SEMESTER - IV
(Core Papers All Specialisations)

Management Control Systems University Assessment 100 marks (15 Sessions of 3 Hours Each) Sem IV Core

| SL.No | Particulars | Sessions |
|-------|--|------------------------------|
| 1 | Financial goal setting - Analysis of Incremental ROI - Sensitivity Analysis - Developing financial goals along organizational hierarchy - Concept and technique of Responsibility Budgeting - Analytical framework for Developing Responsibility Budgets - Integrating Responsibility Budgets Integrating Responsibility Budgeting with MBO System. | 3 Sessions of 3 Hours |
| 2 | Organizational growth : -Responsibility centers and profit centers -Identification and creation of profit centers, profit centers as a control system - Decentralization and profit centers. | 2 Sessions of 3 Hours |
| 3 | Mechanics of determining profit objectives of profit centers - problems and perspectives of transfer pricing - Linear - programming technique for determining divisional goals in a multidivisional company - Problems of growth and corporate control. | 3 Sessions of 3 Hours |
| 4 | Control in special sectors : Scrap Control - Control of R & D - Project Control - Administrative Cost Control - Audit - Efficiency Audit - Internal Audit -Government Cost Audit - Management Audit. Financial Reporting to Management Under conditions of price level change. Objective and methodology. | 3 Sessions of 3 Hours |
| 5 | Measurement of Assets Employed - Application of MCS in Public Sector, Service Organization & Proprietary Organizations. | 2 Sessions of 3 Hours |
| 6 | Case Studies and Presentations | 2 Sessions of 3 Hours |

Reference Text

- Anthony & Govindrajana - Management Control Systems (TATA McGraw Hill)
- Maciaririllo & Kirby - Management Control Systems (Prentice Hall India)
- Management Control Systems - N. Ghosh (Prentice Hall India)

Creativity & Innovation Management 100 marks (15 Sessions of 3 Hours Each) Sem IV Core

| SL.No | Particulars | Sessions |
|--------------|--|-----------------------------------|
| 1 | Introduction to Creativity and Innovation Nature of Creativity: Person, Process, Product and Environment Nature of Innovation: Making the Idea a Reality | 2 Sessions of 3 Hours Each |
| 2 | Need for Creativity and Innovation in Organizations Role of Creativity and Innovation in the Organisation Dynamics that underlie Creative Thinking | 3 Sessions of 3 Hours Each |
| 3 | Creative insight: Why do good ideas come to us and when they do? Idea evaluation: What to do with generated ideas? Creativity in Teams | 2 Sessions of 3 Hours Each |
| 4 | Developing and Contributing to a Creative-Innovation Team Managing for Creativity and Innovation Tools and Techniques in Creativity | 2 Sessions of 3 Hours Each |
| 5 | Evolving a Culture of Creativity and Innovation in Organizations Creativity in the Workplace Creativity and Change Leadership | 2 Sessions of 3 Hours Each |
| 6 | Researching/Assessing Creativity Global Perspectives on Creativity | 2 Sessions of 3 Hours Each |
| 7 | Case Studies and Presentations | 2 Sessions of 3 Hours Each |

Reference Text

Innovation Management - Allan Afuah - Oxford Publications

Managing & Shaping Innovation - Steve Conway & Fred Steward - Oxford Publications

MMS SEMESTER - IV
FINANCE MAJORS

**Financial Modeling 100 marks (15 Sessions of 3 Hours Each) Sem IV
Major**

| SL.No | Particulars | Sessions |
|-------|--|---|
| | <p>Excel Proficiency Formatting of Excel Sheets, Use of Excel Formulae Function , Advanced Modeling Techniques, Data Filter and Sort , Charts and Graphs, Table formula and Scenario building, lookups, pivot tables, Macros, Recording of Macros, understanding Visual Basic Environment (VBE)</p> | 1 Session of 3 Hours Each |
| 1 | <p>Valuation Modeling</p> <ul style="list-style-type: none"> • Understanding Integrated Financial Models • Scenario Analysis • Excel Efficiency Shortcuts and formulae • Cash and Interest Revolver • Building Historical Financial Statements • Ratio Analysis • Projecting Financial Statements | 3 Sessions of 3 Hours Each |
| 2 | <p>Merger & Acquisition (M&A) Analysis</p> <ul style="list-style-type: none"> • Building Merger Inputs • Stock and Cash Mix Deal • Contribution Analysis • Accretion and Dilution | 1 Session of 3 Hours Each |
| 3 | <p>Project Finance Modeling Why Project evaluation; stage of project; construction & development phase; funding during investment phase; costs during investment phase; life of project; decision making, cash flow waterfall & resolve circular reference problem in interest during construction.</p> <ul style="list-style-type: none"> • Understanding Date functions • Modeling Cash flow waterfall • Delays in Projects | 3 Sessions of 3 Hours Each |
| 4 | <p>Equity Research Modelling</p> <ul style="list-style-type: none"> • Prepare an Income Statement, Balance sheet, Cash Flow Statement, Geographic Revenue Sheet, Segment Revenue Sheet, Cost Statement, Debt Sheet, Analyze Revenue Drivers • Forecast Geographic Revenues, Segment Revenues, Geographic Revenues, Cost Statement, Debt, Income Statement , Balance Sheet, Cash Flow Statement. • Performa Adjustments, Income Statement - Compute Margins, Balance Sheet -Compute Ratios • Cash Flow Statement Projection, Valuation- Discounted Cash Flow Method (DCF), Valuation ± Relative Valuation (Football Field Chart) • Valuation ± Assumptions for Valuation Model, Prepare Valuation Model, Prepare Presentation Sheet, Prepare | 3 Sessions of 3 Hours Each |

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|---|---|-----------------------------------|
| | Company Overview , Sector Overview | |
| 5 | <p>Report writing and Sector Overview</p> <ul style="list-style-type: none"> • Report Writing: On the basis of Financial Modeling • Overview of different sectors such as retail, telecom, IT, Oil & Gas etc | 2 Sessions of 3 Hours Each |
| 6 | Case Studies and Presentations | 2 Sessions of 3 Hours Each |

Reference Text

Mastering Financial Modeling in Excel - ALSTAIR L DAY (Pearson Publications)

Financial Modeling - Simon Benninga

**Mergers, Acquisitions & Corporate Restructuring 15 Sessions of 3 Hours
100 Marks Sem IV Major**

| SL no | Particulars | Sessions |
|--------------|--|----------------------------------|
| 1. | Need for restructuring | 1 session of 3 hours |
| 2. | Various forms of Restructuring, viz Mergers, Acquisitions, Amalgamation, Slump Sales, Take Overs, Spin-off etc. and implications thereof vis-a-vis strategic. | 2 sessions of 3 hours |
| 3 | Valuation of business brands, human resource capital intangible assets etc | 2 sessions of 3 hours |
| 4 | Statutory regulations under Companies Act, SEBI Regulations Listing agreements allied bodies vis-a-vis compliance therewith. | 2 sessions of 3 hours |
| 5 | Taxation aspects of restructuring, mergers etc.. | 1 session of 3 hours |
| 6 | Leveraged buy-outs | 1 session of 3 hours |
| 7 | Doctrine of due diligence | 1 session of 3 hours |
| 8 | Other implications of take-overs mergers etc | 1 session of 3 hours |
| 9 | Cases of specific instances of Mergers, De-mergers etc. | 2 sessions of 3 hours |
| 10 | Case Studies and Presentations | 2 sessions of 3 hours |

Reference Text:

1. Valuation - Capeland
2. Valuation - Damodaran
3. Mergers & Acquisitions - Rajinder S Aurora - Oxford Publications
4. Mergers, Acquisitions & Corporate Restructuring - Rabi Narayan Kar - International Book House Ltd
5. Creating Value from Mergers & Acquisitions - Sudi Sudarsanam - Pearson Publications

**MMS SEMESTER - IV
FINANCE ELECTIVES**

Wealth Management 100 marks (15 Sessions of 3 Hours Each) Sem IV Elective

| SL.No | Particulars | Sessions |
|--------------|--|-----------------------------------|
| 1 | <p>Functions of investment advisor, independent advisors, wire house wealth managers, custodians offering white labeled solutions to advisors, software solutions for advisors</p> <p>Wealth management client categories - mass affluent, high net worth, ultra high net worth, unified households</p> | 3 Sessions of 3 Hours Each |
| 2 | <p>Client on boarding - profiling, financial planning, suitability assessment - aggressive, moderate etc., client preferences, restrictions, return expectations versus risk appetite</p> <p>Structure the cash flow forecasting and define the goals, milestones, liabilities etc.</p> | 3 Sessions of 3 Hours Each |
| 3 | <p>Types of wealth management account structures - separately managed accounts, unified managed accounts, overlay portfolio management, sleeves and open architecture wealth management, portfolio manager models, pooled funds</p> <p>Technology absorption in wealth management - use of social media in wealth management, mobility solutions and advantages to investment advisors</p> | 4 Sessions of 3 Hours Each |
| 4 | <p>Asset allocation, active passive investment styles - advantages, correlation in security returns and risk diversification, standard deviation of each asset class and security</p> <p>Portfolio modeling using multiple asset classes, monitoring tolerances and rebalancing, substitution rules</p> <p>Portfolio performance measurement, attribution and reporting</p> | 3 Sessions of 3 Hours Each |
| 5 | Case Studies and Presentations | 2 Sessions of 3 Hours Each |

Reference Text:

ICICI Notes on Wealth Management
 Wealth Management - Harold R Evensky

**Treasury Management 100 Marks (15 Sessions of 3 Hours Each) Sem IV
Elective**

| SL.No | Particulars | Sessions |
|--------------|---|-----------------------------------|
| 1 | Objectives of Treasury Structure and Organization Functions of a Treasurer Responsibility of a Treasurer | 1 Session of 3 Hours |
| 2 | Cost Centre / Profit Centre, Integrated Treasury, Planning & Control, Risk Analysis | 2 Sessions of 3 Hours Each |
| 3 | Liquidity Management - CRR / CCIL / RTGS Objectives, Sources and deployment Internet control, Netting | 2 Sessions of 3 Hours Each |
| 4 | Implications of Treasury on International Banking Global scenario & treasury operation Exchange rate mechanism Structure : Front, Back & Mid office Dealing and trading operations : Control and orderly conduct, moral and ethical codes, checks of balances Revaluation : Mark to market and profit calculations, VaR (Value at Risk) | 2 Sessions of 3 Hours Each |
| 5 | Regulation, Supervision and Compliance of Treasury Functions Internal & External Audit Role of Reserve Bank of India | 1 Session of 3 Hours Each |
| 6 | Integrated Treasury | 1 Session of 3 Hours |
| 7 | Bond Dynamics | 1 Session of 3 Hours |
| 8 | Role of Information Technology in treasury management and Bond Dynamics | 2 Sessions of 3 Hours Each |
| 9 | Accounting Valuation and Elimination of Exposures | 1 Session of 3 Hours |
| 10 | Case Studies and Presentations | 2 Sessions of 3 Hours |

Reference Text:

Treasury Management - Steven M Bragg (Wiley Publications)
Treasury Management - IIBF

**Behavioural Finance 100 marks (15 Sessions of 3 Hours Each) Sem IV
Elective**

| SL.No | Particulars | Sessions |
|--------------|---|-----------------------------------|
| 1 | Investment Decision Cycle: Judgment under Uncertainty :Cognitive information perception - Peculiarities (biases) of quantitative and numerical information perception - Weber law -Subjective probability ± Representativeness ± Anchoring- Asymmetric perception of gains and losses framing and other behavioral effects - Exponential discounting - Human economic behavior - Discount factors for short and long horizons - Experimental measurement of the discount factor - Hyperbolic discounting. | 2 Sessions of 3 Hours Each |
| 2 | Utility/ Preference Functions: Expected Utility Theory [EUT] and Rational Thought: Decision making under risk and uncertainty - Expected utility as a basis for decision-making ± Theories based on Expected Utility Concept - Decision-making in historical prospective - Allais and (Elsberg's Paradoxes - Rationality from an economics and evolutionary prospective - Herbert Simon and bounded rationality- Investor rationality and market efficiency - Empirical data that questions market efficiency. | 2 Sessions of 3 Hours Each |
| 3 | Behavioral Factors and Financial Markets: The Efficient Markets Hypothesis - Fundamental Information and Financial Markets - Information available for Market Participants and Market Efficiency -Market Predictability -The Concept of limits of Arbitrage Model - Asset management and behavioral factors - Active Portfolio Management: return statistics and sources of systematic underperformance. - Fundamental Information, Technical Analysis, and Behavioral Factors. | 2 Sessions of 3 Hours Each |
| 4 | External Factors and Investor Behavior: Weather, Emotions, and Financial Markets: Sunshine, Geomagnetic Activity - Mechanisms of the External Factor influence on risk perception and attitudes - Connection to human psychophysiology and emotional regulation - Misattribution as a mechanism for externals factors influence - Statistical methodology for capturing the effects of external influence onto stock market returns - Emotional content of news articles and their correlation with market dynamics - Social trends and market dynamics: music, fashion, demographics - Active portfolio management ± the source of the systematic underperformance. Fundamental information and technical analysis ± the case for psychological influence. | 2 Sessions of 3 Hours Each |

| SL.No | Particulars | Sessions |
|-------|--|--|
| 5 | <p>External Factors and Investor Behavior: Weather, Emotions, and Financial Markets: Sunshine, Geomagnetic Activity - Mechanisms of the External Factor influence on risk perception and attitudes - Connection to human psychophysiology and emotional regulation - Misattribution as a mechanism for externals factors influence - Statistical methodology for capturing the effects of external influence onto stock market returns - Emotional content of news articles and their correlation with market dynamics - Social trends and market dynamics: music, fashion, demographics - Active portfolio management - the source of the systematic underperformance. Fundamental information and technical analysis ± the case for psychological influence.</p> | <p>2 Sessions of 3 Hours Each</p> |
| 6 | <p>Behavioral Corporate Finance: Behavioral factors and Corporate Decisions on Capital Structure and Dividend Policy - Capital Structure dependence on Market Timing - Timing of Good and Bad Corporate News Announcement - Mergers and Acquisitions and the Winner's Curse - M&A waves and market timing - IPO under pricing - Systematic excessive optimism and Over confidence in managers' decisions Company Name and its Market value - Sunk costs and mental accounting. Evolutionary explanations for behavioral effects - Evidence from behavioral game theory - Systematic approach to using behavioral factors in corporate decision-making.</p> | <p>2 Sessions of 3 Hours Each</p> |
| 7 | <p>Emotions and Decision ± Making: Experimental measurement of risk-related - Measuring Risk - Emotional mechanisms in modulating risk-taking attitude - Neurophysiology of risk-taking. Personality traits and risk attitudes in different domains - Evolutionary prospective and emotions. Proximal and ultimate mechanisms framework ± Making decisions with "play" and real money Modulating altruistic behavior by utilizing the essentials of the specific proximal mechanisms - Emotions and rationality - Antonio Damasio and somatic markers</p> | <p>1 Session of 3 Hours Each</p> |
| 8 | <p>Case Studies and Presentations</p> | <p>2 Sessions of 3 Hours Each</p> |

Reference Books

- Behavioral Finance: Psychology, Decision-Making, and Markets", by Ackert and Deaves.
- Understanding Behavioral Finance by Ackert
- The Psychology of Investing by John R. Nofsinger, Pearson Prentice Hall, (4th Edition)
- What Investors Really Want - Learn the lessons of behavioral Finance, Meir Statman, McGraw-Hill
- Handbook of Behavioral Finance - Brian R. Bruce
- Behavioral finance - Wiley Finance - Joachim Goldberg, Rüdiger von Nitzsch

- Plous, Scott, 1993, The Psychology of Judgment and Decision Making, Ch 10-15
- Shleifer, Andrei, 2000, Are Financial Markets Efficient?, Chapter 1 in Inefficient Markets, Oxford University Press.
- Ackert, L., and R. Deaves, 2010, Behavioral Finance: Psychology, Decision-Making and Markets, South-Western Cengage Learning, Mason, Ohio.
- Nofsinger, J. R., 2001, Investment Madness, Prentice Hall.
- Mitchell, O. S., and S. P. Utkus, eds., 2004. Pension Design and Structure: New Lessons from Behavioral Finance (Oxford University Press, New York, New York).
- Shleifer, Andrei (2000): Inefficient Markets: An Introduction to Behavioral Finance, Oxford University Press, Oxford.
- Montier, James (2002): Behavioural Finance, John Wiley & Sons, New York.
- Plous, S. (1993). The psychology of judgment and decision-making NY: McGraw-Hill.

Project Finance 15 Sessions of 3 Hours 100 Marks Sem IV Elective

| SL.No | Particulars | Sessions |
|-------|--|---------------------------------|
| 1 | <p>What Is Project Financing (PF)?</p> <ul style="list-style-type: none"> • Typical characteristics • Definition • Pre-requisites • Typical PF examples <p>What Is Different about Project Financing?</p> <ul style="list-style-type: none"> • When is PF most suitable? • PF & corporate lending • PF & asset based lending • PF & property lending | 1 Session of 3 Hours |
| 2 | <p>Current Project Finance Market</p> <p>PF market expansion Market highlights PF market by sector PF market by geography</p> | 1 Session of 3 Hours |
| 3 | <p>Understanding Project Finance</p> <ul style="list-style-type: none"> • Financing cash flow • Risk Allocation • Economic Rent • When is PF most suitable? | 1 Session of 3 Hours |
| 4 | <p>Evaluating Project Cash Flow.</p> <ul style="list-style-type: none"> • What is Project Cash Flow? • What is Discounted Cash Flow? • Calculation of Project Cash Flow • Evaluating IIR, NPV, Profitability Index, Pay-Back Period • PF and Project Cash Flow Profiles | 1 Session of 3 Hours |
| 5 | <p>Creating a SPV</p> <ul style="list-style-type: none"> • What is a SPV? • Main functions of a SPV • Why is a SPV required? • How is a SPV created? | 1 Session of 3 Hours |
| 6 | <p>Key Project Finance Risk Categories</p> <ul style="list-style-type: none"> • Construction • Operation • Funding • External | 1 Session of 3 Hours |

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| 7 | <p>Controlling Direct Risks</p> <ul style="list-style-type: none"> • Construction failure • Revenue failure • Operations failure • Supply failure <p>Controlling External Risks</p> <ul style="list-style-type: none"> • Political • Environmental • Technology • Force Majeure | 1 Session of 3 Hours |
| 8 | <p>Project Funding</p> <ul style="list-style-type: none"> • Sponsor(s) • Other equity providers • Senior debt providers • Junior debt providers <p>Contractual Parties</p> <ul style="list-style-type: none"> • Contractor • Purchaser • Operator • Supplier | 1 Session of 3 Hours |
| 9 | <p>PF Roles & Risk Management</p> <ul style="list-style-type: none"> • Risk takers/risk avoiders • Separation of roles • Phasing of roles • Managing by contract <p>PF Roles & Conflict</p> <ul style="list-style-type: none"> • Where is the sponsor? • Who controls the contractor? • Ensuring long-term commitment • Sources of conflict <p>Managing PF Roles</p> <ul style="list-style-type: none"> • Need for strong sponsor • Ownership ± the right balance | 2 Sessions of 3 Hours |
| 10 | <p>Due Diligence in Project Finance</p> <ul style="list-style-type: none"> • Overview • Discussion <p>Due Diligence Process</p> <ul style="list-style-type: none"> • Technical due diligence • Legal due diligence • Financial due diligence • Other due diligence <p>PF Advisors</p> <ul style="list-style-type: none"> • Technical • Legal | 3 Sessions of 3 Hours |

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| | <ul style="list-style-type: none"> • Financial • Other <p>PF Information Memorandum</p> <ul style="list-style-type: none"> • Purpose • Responsibility • Process • Output <p>PF Financial Model</p> <ul style="list-style-type: none"> • Purpose • Responsibility • Process • Output • Evaluating Project's Debt Capacity <p>Managing Due Diligence</p> <ul style="list-style-type: none"> • Nature of assignment • Management control • Lines of communication • Dissemination of findings | |
| 11 | Case Studies and Presentations | 2 Sessions of 3 Hours |

Reference Books

- Project Management ± Prasanna Chandra
- Principles of Project Finance - Yescombe, E. R. (2002), Academic Press, California.
- Advanced Project Management - Harrison F.L.
- Project Financing: Asset-Based Financial Engineering (Wiley Finance) by John D. Finnerty
- Earned Value Management Using Microsoft® Office Project: A Guide for Managing Any Size Project Effectively w/CD by Dayal

- Project financing (7 ed.) - Nevitt, P.K. & Fabozzi, F. J. (2000), London, UK: Euromoney Books
- Investment project design - A guide to financial and economic analysis with constraints, Kurowski, L. & Sussman, D. (2011), New Jersey: John Wiley & Sons.
- Project finance for construction and infrastructure: Principles and case studies - Pretorius, F., Lejot, P., McInnis, A., Arner, D. & Hsu, B. F.-C. (2008), Oxford: Blackwell Publishing

Industry Oriented Dissertation Project 100 Marks

