Academic Council:13/04/2022
Item No:_____

Parle Tilak Vidyalaya Association's

MULUND COLLEGE OF COMMERCE (AUTONOMOUS)

॥ आ नो भद्राः क्रतवो यन्तु विश्वतः ॥

Syllabus for MS. FINANCE

Programme: M.Sc

(FINANCE) Code: MSF

BASED ON LEARNING OUTCOME CURRICULUM FRAMEWORK (LOCF)

Semester I & II

with effect from the academic year

2022 – 2023

Under Choice Based Credit, Grading & Semester System

Course Structure

Sr. No.	**Heading**	**Particulars**
1.	Title of the Programme	**M.Sc. FINANCE**
2.	Eligibility for Admission	As per University of Mumbai norms
3.	Passing Marks	40%
4.	Ordinances/Regulations (If any)	As applicable for all PG Programmes, University of Mumbai
5.	Number of years / Semesters	Two years – Four Semesters
6.	Level	P.G.
7.	Pattern	Semester, Choice Based
8.	Status	New
9.	To be implemented from Academic year	From the Academic Year **2022 – 2023**

Date: March 2022 **Signature:** 

Name of the Coordinator & BOS Chairman **Dr Rajashri Deshpande**

This programme syllabus is as per the syllabus of University of Mumbai

M.Sc. FINANCE

Under Choice Based Credit, Grading & Semester System

Course Structure

Code	Course Title	Contact Hours per week	Credits
	Foundation Course		
MSFT-F01	Basic Economics	6 Hours	--
MSFT-F02	Basic Quantitative Methods	6 Hours	--
MSFT-F03	Basic Accounting	6 Hours	--
MSFT-F04	Basic Computing	6 Hours	--
	Semester I		
MSFT-101	Economics	6 Hours	4 credits
MSFT-102	Quantitative Methods	6 Hours	4 credits
MSFT-103	Accounting and Financial Reporting	6 Hours	4 credits
MSFT-104	Financial Management	6 Hours	4 credits
MSFP-103	Practical 1: Quantitative Methods	3 Hours	4 credits
MSFP-104	Practical 2: Accounting and Financial Reporting	3 Hours	4 credits
	Semester II		
MSFT-201	Corporate Governance & Regulatory Environment	6 Hours	4 credits
MSFT-202	Corporate Finance	6 Hours	4 credits
MSFT-203	Econometrics and Financial Modeling	6 Hours	4 credits
MSFT-204	Financial Markets and Institutions	6 Hours	4 credits
MSFT-205	Fixed Income Securities	6 Hours	4 credits
MSFP-203	Practical 3: Econometrics and Financial Modeling	3 Hours	2 credits
MSFP-205	Practical 4: Fixed Income Securities	3 Hours	2 credits
			48 credits
	Additional course per semester (2)* 2		**02 credits**
	Total		**50 credits**

- **Additional course per year carries 2 credits.**

Economics

Program Name: M.Sc. FINANCE		**Semester – I**	
Course Name: Economics		**Course Code:** MSFT101	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**0**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. **To know different concepts of micro & macro economy.**
2. **To understand market mechanism.**
3. **To explore the role of Government.**
4. **To understand the role of trade in economy & trade policy**
5. **To discuss the relation of economy & finance.**

Units	Name	Lectures
1.	Introduction to Micro economic theories	**14**
2.	Macroeconomics: Overview of modern market economy	**12**
3.	Trade Theories	**12**
4.	Financial Economics	**12**

Board of studies: Banking and Insurance

Day and Date of meeting: Saturday, 22nd January 2022

Units	Approved syllabus under Autonomy
1	Microeconomics Consumer Theory: Choice, Preferences, Utility; Demand, Revealed Preferences, Comparative Statics; Consumer Surplus, Aggregation; Variations to the Basic Choice Model (Time, Uncertainty). Producer Theory: Technology, Profit Maximization, Cost Minimization; Supply, Aggregation Markets; Monopoly; Oligopoly and Game Theory; Walrasian Equilibrium. Market Failures: Externalities; Public Goods; Small Number of Agents, Nash Bargaining. Asymmetric Information: Adverse Selection, Moral Hazard, Principal-Agent Model; Auction Design; Voting and Other Applications.
2	Macroeconomics An overview of the modern market economy as a system for dealing with the problem of scarcity. The analysis of relationships among such variables as national income, employment, inflation and the quantity of money. Managing aggregate demand; fiscal policy; money and the banking system; monetary policy; the debate over

	monetary and fiscal policy; budget deficits in the short and long run; tradeoff between inflation and unemployment.
3	Trade Theories: Ricardian Trade Model; Modern Trade Theory; Trade and Income Distribution; Alternative Trade Theories. Trade Policy: Commercial Policy: Tariffs and Nontariff Trade Barriers; Political Economy of Trade Policy; Economic Integration (Free Trade Agreements); International Factor Movements and Multinational Enterprises; Balance of Payments; Foreign Exchange Market; Exchange Rate Determination; Modern Exchange Rate System and Policies.
4	Financial Economics Fundamental Theory of Finance: Absence of Arbitrage and Efficient Markets; Existence of Positive Linear Pricing Rule; Risk Neutral (Martingale) Probabilities and State Pricing. Preferences and Uncertainty: Expected Utility Theory; Linear Risk Tolerance Preferences; Risk Aversion; Stochastic Dominance; Insurance and Certainty Equivalence; Alternative Psychological and Behavioral Approaches.

Course Outcome:

1. Learners will be able to know different theories of micro economy.
2. Learners will be able to understand various concepts of macro economy.
3. Learners will be able to classify market structures.
4. Learners will be able to comprehend the relevance of trade policy.
5. Learners will be able to explore fundamental theories of Finance.

Books & References:

1. N. Gregory Mankiw and Mark P. Taylor, 2006, Economics, Thompson Learning
2. Varian, Hal R., W.W. Norton,2005, Intermediate Microeconomics 7e
3. Robert J. Carbaugh ITP, 2010, International Economics 13e
4. Abel, Bernanke, and Croushore, 2007, Macroeconomics 6e, Prentice Hall
5. Z. Bodie, 2008, Financial Economics 2e, Pearson Education India

Quantitative Methods

Program Name: M.Sc. FINANCE		**Semester – I**	
Course Name: Quantitative Methods		**Course Code:** MSFT102	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know different concepts of Probability models.
2. To understand quantitative mechanism.
3. To explore Inferential Statistics.
4. To understand the role of Financial Calculus.
5. To discuss Mathematical programming.

Units	Name	Lectures
1.	Review of basic probability models	05
2.	Generating Functions	**05**
3.	Markov Chains	08
4.	Random Walks	**05**
5.	Inferential Statistics	**07**
6.	Financial Calculus	**10**
7.	Mathematical Programming	**10**

Board of studies: Banking and Insurance

Day and Date of meeting: Saturday, 22nd January 2022

Units	Approved syllabus under Autonomy
1	Review of basic probability models; combinatorics; random variables; discrete and continuous probability distributions.
2	Generating Functions: Discrete Distributions; Branching Processes; Continuous Densities.
3	Markov Chains: Introduction; Absorbing Markov Chains; Ergodic Markov Chains; Fundamental Limit Theorem; Mean First Passage Time.
4	Random Walks: Random Walks in Euclidean Space; Gambler's Ruin; Arc Sine Laws
5	Inferential Statistics: Estimating and Confidence intervals; Hypothesis testing; Nonparametric tests.

6	Financial Calculus: Taylor series; Ordinary differential equations; Similarity solutions, Brownian motion; Stochastic differential equations; Ito's Lemma, Continuous -time stochastic differential equations as discrete-time processes; correlated random walks; Using Ito's Lemma to manipulate stochastic differential equations.
7	Mathematical Programming: Linear Programming; Solving Linear Programs graphically; Simplex Method; An introduction to non-linear programming.

Course Outcomes:

1. Learners will be able to know quantitative methods to be used in Finance.
2. Learners will be able to understand inferential statistical tools
3. Learners will explore different techniques of financial calculus.
4. Learners will be able to study various mathematical programming.

Books & References:

1. Grimmett and Stirzaker, 1997, Probability and Random Processes, Oxford University Press
2. J.D. Hamilton, 1994, Time Series Analysis, Princeton University Press
3. Paul Wilmott, John Wiley, 2007, Quantitative Finance 2e
4. Mathematics for Finance, 2003, Springer
5. Ioannis Karatzas, Steven E. Shreve, 2011, Text Methods of Mathematical Finance, Springer.

Quantitative Methods Practical

Program Name: M.Sc. FINANCE		**Semester – I**	
Course Name: Quantitative Methods		**Course Code:** MSFP104	
Periods per week (1 Period is 50 minutes)		**03**	
Credits		**04**	
		Hours per week	
Evaluation System	**Practical**	**3**	
	Internal Continuous Evaluation	**--**	

Quantitative Methods Practical

The application of the following topics to real world issues in Finance:

Units	Approved syllabus under Autonomy
1	Generating Functions: Discrete Distributions; Branching Processes; Continuous Densities.
2	Markov Chains: Introduction; Absorbing Markov Chains; Ergodic Markov Chains; Fundamental Limit Theorem; Mean First Passage Time
3	Random Walks: Random Walks in Euclidean Space; Gambler's Ruin; Arc Sine Laws
4	Inferential Statistics: Estimating and Confidence intervals; Hypothesis testing; Nonparametric tests.
5	Financial Calculus: Taylor series; Ordinary differential equations; Similarity solutions
6	time stochastic differential equations as discrete lemma to manipulate stochastic differential equations

7	Mathematical Programming: Linear Programming; Solving Linear Programs graphically; Simplex Method; An introduction to non-linear programming.

Accounting, Financial Reporting & Analysis

Program Name: M.Sc. FINANCE		**Semester – I**	
Course Name: Accounting, Financial Reporting & Analysis		**Course Code:** MSFT103	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know different concepts of financial reporting.
2. To understand regulatory framework of accounting.
3. To explore Principles of Taxation.
4. To understand the role of Analysis of assets, liability & Equity.
5. To discuss Revenue & Expenses analysis.
6. To know business combinations & interpretations of financial statements.

Units	Name	Lectures
1.	Context and Purpose of Financial Reporting	05
2.	The qualitative characteristics of financial information	05
3.	Regulatory Framework of Accounting	05
4.	Principles of Taxation	05
5.	Accounting and Analysis of Asset	05
6.	Accounting and Analysis of Liability and Equity	05
7.	Revenue Analysis	03
8.	Expense Analysis	03
9.	Credit Analysis and Distress Prediction	05
10.	Business Combinations	05
11.	Interpretations of financial statements	04

Board of studies: Banking and Insurance

Day and Date of meeting: Saturday, 22nd January 2022

Units	Approved syllabus under Autonomy
1	Context and Purpose of Financial Reporting: The reasons for and objectives of financial reporting; users' & stakeholders' needs; the main elements of financial reporting.
2	The qualitative characteristics of financial information: Define, understand, and apply accounting concepts, including concept of true and fair view, going concern, accruals, consistency, materiality, relevance, reliability, substance over form, neutrality, prudence, completeness, comparability, understandability, and business entity concept.
3	Regulatory Framework of Accounting: Reasons for existence of a regulatory framework; legal provisions relating to accounting; setting Indian accounting standards, convergence of international accounting standards, International Financial Reporting Standards (IFRS).
4	Principles of Taxation: Principles of taxation, concepts of tax evasion, tax avoidance, and tax planning, tax havens, overview of income tax, accounting for income tax, deferred tax assets, and deferred tax liability
5	Accounting and Analysis of Asset: Historical cost and conservatism, asset reporting challenges, common misconceptions about asset accounting
6	Accounting and Analysis of Liability and Equity: Liability definition and reporting challenges; common misconceptions about liability accounting; equity definition and reporting challenges.
7	Revenue Analysis: Revenue recognition rule, revenue recognition challenges
8	Expense Analysis: Matching and conservatism, expense reporting challenges.
9	Credit Analysis and Distress Prediction: Credit analysis process, prediction of distress and turnaround.
10	Business Combinations: The concept and principles of a group; concept of consolidated financial statements; preparation of consolidated financial statements.
11	Interpretations of financial statements: Ratio analysis; cash flow analysis; funds flow analysis; value added statements; limitations of financial statements; Calculation and interpretation of accounting ratios & trends to address user's & stakeholders' needs; limitations of interpretation techniques.

Course Outcomes:

1. The learners will be able to know different concepts of financial reporting.
2. The learners will be able to understand regulatory framework of accounting.
3. The learners will explore Principles of Taxation.

4. The learners will understand the role of Analysis of assets, liability & Equity.

5. The learners will be able to discuss Revenue & Expenses analysis.
6. The learners will be able to know business combinations & interpretations of financial statements

Books & References:

1. Lawrence Revsine, Daniel Collins, Bruce Johnson, Fred Mittelstaedt, 2011, Financial Reporting and Analysis, McGraw-Hill
2. Alexander, Britton, Jorissen Thomson, 2007, International Financial Reporting and Analysis

Accounting, Financial Reporting & Analysis Practical

Program Name: M.Sc. FINANCE		**Semester – I**	
Course Name: Accounting & Financial Reporting		**Course Code:** MSFP104	
Periods per week (1 Period is 50 minutes)		**03**	
Credits		**04**	
		Hours per week	
Evaluation System	**Practical**	**3**	
	Internal Continuous Evaluation	**--**	

Units	**Approved syllabus under Autonomy**
1	Analysis of an annual report of a listed company.
2	Analysis of a prospectus issued by a company launching an initial public offering (IPO)
3	Analysis of an industry report prepared by a major brokerage house.

Financial Management

Program Name: M.Sc. FINANCE		**Semester – I**	
Course Name: Financial Management		**Course Code:** MSFT104	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know different concepts of corporate finance.
2. To understand environment of finance.
3. To explore Principles of valuation concepts.
4. To understand the role of working capital management.
5. To discuss investment in capital assets.
6. To know cost of capital & structure of capital.
7. To study dividend policy in detail.

Units	Name	Lectures
1.	Introduction: Role of the corporate financial manager	05
2.	Environment of finance	05
3.	Valuation Concepts	07
4.	Financial Planning	07
5.	Working Capital Management and Short-Term Planning	08
6.	Investment in Capital Assets	08
7.	Cost of Capital, Capital Structure, and Dividend Policy	10

Board of studies: Banking and Insurance

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Units	Approved syllabus under Autonomy
1	Introduction: Role of the corporate financial manager (CFO); corporate finance decisions; goals of firm - profit maximization v. shareholders' wealth maximization; basic responsibilities of financial managers; social responsibility of the firm; agency relationships and conflicts.
2	Environment of finance: Financial markets – capital markets (equity markets, debt market), money markets, foreign exchange market, and derivatives markets; term loans and leases; accounting treatment of leases; convertibles, and warrants.

3	Valuation Concepts: Future values and compound interest; present values; level cash flows: perpetuities and annuities; valuation of long-term securities; risk and return; measuring portfolio risk.
4	Financial Planning: Introduction to financial planning; financial planning models; components of a financial planning model; pitfalls in model design; role of financial planning models; external financing and growth; deferred taxes and financial analysis; sustainable growth modeling.
5	Working Capital Management and Short-Term Planning: Components of working capital, working capital and the cash conversion cycle, working capital trade-off; links between long term and short-term financing; tracing changes in cash and working capital; cash budgeting, forecast sources of cash, forecast uses of cash, a short-term financing plan, options for short-term financing, evaluating the plan, sources of short-term financing; cash management, management of account receivables.
6	Investment in Capital Assets: Capital budgeting and estimating cash flows; capital budgeting techniques; multiple internal rates of return; replacement chain analysis; risk and managerial options in capital budgeting.
7	Cost of Capital, Capital Structure, and Dividend Policy: Required returns and the cost of capital; operating and financial leverage; capital structure determination; theories of capital structure; dividend policy; theories of relevance and irrelevance of dividend policy.

Course Outcomes:

The learners will be able to know the role of CFO in corporate decision-making process.

The learners will be able to understand different financial products.

The learners will be able to calculate future value, compound interest rate.

The learners will be able to explore essence of financial planning.

The learners will be able to understand working capital requirements.

The learner will be able to explore capital budgeting & cash flows.

The learner will be able to comprehend importance of dividend policy.

Books & References:

1. Eugene F. Brigham, Joel F. Houston, 2011, Fundamentals of Financial Management, South Western (Cengage Learning)

2. James C. Van Horne, John M. Wachowicz, 2008, Fundamentals of Financial Management, Prentice

SEMESTER II

Corporate Governance & Regulatory Environment of Finance

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Corporate Governance and Regulatory Environment of Finance		**Course Code:** MSFT201	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know different concepts of corporate governance.
2. To understand the role of shareholders & stakeholders.
3. To explore Principles of audits.
4. To understand the role of code of corporate governance.
5. To discuss legal framework of capital markets.
6. To know the role of SEBI in Mutual fund.
7. To study International financial regulations.

Units	Name	Lectures
1.	Introduction: Corporate Governance	03
2.	Shareholders and Stakeholders	02
3.	Board of Directors	05
4.	Audit Committee	05
5.	Code of Corporate Governance	05
6.	Economic Rationale of Financial Regulation	05
7.	Legal Framework of Capital Markets	05
8.	SEBI Regulations and Guidelines	05
9.	Regulation of Mutual Funds	05
10.	Overview of Regulatory Bodies	05
11.	International Financial Regulation	05

Board of studies: Banking and Insurance

Day and Date of meeting: Saturday, 22nd January 2022

Units	Approved syllabus under Autonomy
1	Corporate Governance: Objectives; definitions and importance of corporate governance; reputation, competition and corporate governance; corporate ethics; corporate governance and corporate responsibility; globalization and corporate governance; Models of corporate governance; mechanisms of corporate governance.
2	Shareholders and Stakeholders: Shareholder rights; equitable treatment; responsibilities of shareholders, minority shareholders' protection & stakeholders protection
3	Board of Directors: Structure and independence of the board; responsibilities and duties of the board; selection, remuneration and evaluation of the board; board committees; the board and the management.
4	Audit Committee: Organization of audit committee; responsibilities of the audit committee; working with auditors and management.
5	Code of Corporate Governance: SEBI Code of Corporate Governance (Narayan Murthy Committee Report); Ministry of Finance (Naresh Chandra Committee Report); US Sarbanes-Oxley Act of 2002; The UK Corporate Responsibility Act 2002.
6	Economic Rationale of Financial Regulation: Externalities; market imperfections and failures; economies of scale in monitoring; moral hazard; mandatory versus voluntary disclosure; regulation and competition; alternative approaches to regulation.
7	Legal Framework of Capital Markets: Securities Contracts (Regulation) Act, 1956, and Securities Contracts (Regulation) Rules, 1957; Foreign Exchange Management Act (FEMA); Overview of relevant provisions of the Companies Act, 1956, Indian Stamp Act, Registration Act, Competition Act; , Stock exchanges – trading rules, listing agreement, enforcement of listing compliances; Banking Regulation Act; Reserve Bank (Board for Financial Supervision (BFS)) Regulations.
8	SEBI Regulations and Guidelines: SEBI Act, 1992; SEBI (ICDR) Regulations; SEBI (Insider Trading) Regulations; SEBI (Substantial Acquisition of Shares and Take Over) Regulations; SEBI (Buyback of Securities) Regulations; SEBI (Foreign Institutional Investors) Regulations.
9	Regulation of Mutual Funds: SEBI (Mutual Funds) Regulations; taxation of a mutual fund - resident unit holders, non-resident individual unit holders, non-resident unit holders being a company; Regulation of Overseas Investment in the Domestic Mutual Fund Sector - Setting up an AMC, Investing via a Domestic Mutual Fund, Investing as a FII in an Indian mutual fund, role of self-regulatory organisations.
10	Overview of Regulatory Bodies: Reserve Bank of India, Securities Exchange Board of India, Forward Market Commission, Insurance Regulatory Development Authority, Providend Fund Regulatory and Development Authority, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies.

11	International Financial Regulation: Challenges of international regulation of financial markets; overview of financial regulation in USA, UK, EU.

Course Outcomes:

1. The learners will be able to know different concepts of corporate governance.
2. The learners will be able to understand the role of shareholders & stakeholders.
3. The learners will be able to explore Principles of audits.
4. To understand the role of code of corporate governance.
5. The learners will be able to discuss legal framework of capital markets.
6. The learners will be able to know the role of SEBI in Mutual fund.
7. The learners will be able to study International financial regulations.

Books & References:

1. Robert A. G. Monks and Nell Minow,2011, Corporate Governance, Wiley
2. Cheffins, 1997, Company Law: Theory, Structure, & Operation, Clarendon Press.
3. Howard Davies, David Green, 2008, Global financial regulation, Polity Press.
4. Sebi Manual 16e, 2011, Taxmann Publications Pvt. Ltd.
5. Foreign Exchange Management Manual, 2011, Taxmann Publications Pvt. Ltd.
6. Christoph Van der Elst, De Wulf, Michel Tison, Reinhard Steennot, 2011, Perspectives in Company Law and Financial Regulation, Cambridge University Press.

Corporate Finance

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Corporate Finance		**Course Code:** MSFT202	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know framework for financial decisions.
2. To understand different investment decisions & strategies.
3. To explore Principles of value, risks & returns.
4. To understand different policies of short-term financing.
5. To discuss strategic financial decisions.
6. To know the role of corporate performance management.
7. To study International financial management.

Units	Name	Lectures
1.	Framework for Financial Decisions	05
2.	Investment Decisions and Strategies	05
3.	Value, Risk and the Required Return	05
4.	Conceptual framework of valuation	05
5.	Short-Term Financing and Policies	07
6.	Strategic financial decisions	08
7.	Corporate Performance Management	08
8.	International Financial Management	07

Board of studies: Banking and Insurance

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Units	Approved syllabus under Autonomy
1	Framework for Financial Decisions: An overview of financial decisions; the financial environment; bond and share valuation.
2	Investment Decisions and Strategies: Investment appraisal methods; project appraisal – applications; investment strategy and process.
3	Value, Risk and the Required Return: Analysing investment risk; identifying and valuing options; relationships between investments: portfolio theory; setting the risk premium: the capital asset pricing model; the required rate of return on investment; enterprise value and equity value.

4	Valuation: Conceptual framework of valuation; approaches and methods of valuation - asset-based approach, earnings based approach, discounted cash flow approach, market value based approach, relative valuation approach, real options approach, selection of approach; applications of valuation methods to valuation of different types of companies.
5	Short-Term Financing and Policies: Treasury management and working capital policy; short term asset management; short - and medium-term finance
6	Strategic financial decisions: Long-term finance; returning value to shareholders: the dividend decision; capital structure and the required return; relevance of capital structure; acquisitions and restructuring; Operating Leverage; Dividend Policy; Pricing Strategy; AssetLiability Management.
7	Corporate Performance Management: Execution Problem; Balanced Scorecard; Real-time Financial Systems: Corporate Performance Management (CPM); Integrated Financial Management
8	International Financial Management: Overview of market for foreign currencies; foreign exchange risks – transaction, translation, and economic risks; managing currency risk; foreign investment decisions.

Course Outcomes:

1. The learners will be able to know framework for financial decisions.
2. The learners will be able to understand different investment decisions & strategies.
3. The learners will be able to explore Principles of value, risks & returns.
4. The learners will be able to understand different policies of short-term financing.
5. The learners will be able to discuss strategic financial decisions.
6. The learners will be able to know the role of corporate performance management.
7. The learners will be able to study International financial management.

Books & References:

1. Stephen A. Ross, Randolph Westerfield, Jeffrey Jaffe, 2006, Corporate Finance, McGrawHill/Irwin

2. John Graham, Scott B. Smart, William L. Megginson, 2008, Corporate Finance: Linking Theory to What Companies Do, South Western Cengage Learning

Econometrics & Financial Modelling

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Econometrics & Financial Modelling		**Course Code:** MSFT203	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know framework of financial modelling.
2. To understand different methods of systematic design.
3. To explore various forecasting models.
4. To understand different risk techniques.
5. To discuss strategies of targeting.
6. To know the role of management reporting.

Units	Name	Lectures
1.	Introduction to Econometrics	05
2.	Financial Modelling 1	05
3.	Systematic Design Method	05
4.	Auditing and Testing	05
5.	Macros and Security	05
6.	Forecasting Models	05
7.	Risk Techniques	05
8.	Optimisation and Targeting	05
9.	Management Reporting	05
10.	Model Completion	05

Board of studies: Banking and Insurance

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Units	Approved syllabus under Autonomy
1	A Econometrics 1 Introduction to econometrics. 2 Univariate regression model. 3 Multivariate regression model. 4 Dummy variables, heteroskedasticity, endogeneity. 5 Time series data analysis 6 Times series regression model 7 Panel data analysis: Simultaneous use of cross sectional and time series data 8 Endogeneity: Instrumental variables and simultaneous equations.
2	B Financial Modelling 1 Preliminaries: Introduction financial modelling; objectives of financial modelling; spreadsheet features, techniques; best practices in spreadsheet design.
3	Systematic Design Method: Model Design and structure; Building business case models; spreadsheet techniques and methods.
4	Auditing and Testing: Essential testing and auditing techniques; Testing financial analysis model with cash flows and ratios; Debugging and checking a financial model.
5	Macros and Security: Writing and auditing and macros; Spreadsheet security.
6	Forecasting Models: Review of forecasting methods; financial "drivers"; Adding forecasts to the case models.
7	Risk Techniques: Risk and multiple answers; Scenario techniques; Advanced financial functions; adding sensitivity to the case model; Advanced scenario methods; Composite methods.
8	Optimisation and Targeting: Overview of optimisation and targeting; Goal seek and Solver methods; optimising the case model.
9	Management Reporting: Requirement to consolidate and summarise data; consolidating data from different sources; spreadsheet report managers; pivot tables; Techniques for summarising data; producing a management analysis.
10	Model Completion: Model review; Documentation; Final audit.

Course Outcomes:

1. To know framework of financial modelling.
2. To understand different methods of systematic design.
3. To explore various forecasting models.
4. To understand different risk techniques.

5. To discuss strategies of targeting.
6. To know the role of management reporting.

Books & References:

1. Wooldridge, 2009, Introductory Econometrics 4e, J. South-Western Cengage Learning
2. S Benninga, 2008, Financial Modeling 3e, MIT Press
3. John Tjia, 2003, Building Financial Models, McGraw-Hil

Econometrics and Financial Modeling Practical

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Econometrics and Financial Modeling Practical		**Course Code:** MSFP203	
Periods per week (1 Period is 50 minutes)		**03**	
Credits		**02**	
		Hours per week	
Evaluation System	**Practical**	**3**	
	Internal Continuous Evaluation	**--**	

The application of the following topics to real world issues in Finance.

Units	Approved syllabus under Autonomy
	A Econometrics 1 Univariate regression model. 3 Multivariate regression model. 4 Dummy variables, heteroskedasticity, endogeneity. 5 Time series data analysis 6 Times series regression model 7 Panel data analysis: Simultaneous use of cross sectional and time series data 8 Endogeneity: Instrumental variables and simultaneous equations.
2	**B** Financial Modelling 1 Forecasting Models: Review of forecasting methods; financial "drivers"; Adding forecasts to the case models. 2 Risk Techniques: Risk and multiple answers; Scenario techniques; Advanced financial functions; adding sensitivity to the case model; Advanced scenario methods; Composite methods. 3 Optimisation and Targeting: Overview of optimisation and targeting; Goal seek and Solver methods; optimising the case model. 4 Management Reporting: Requirement to consolidate and summarise data; consolidating data from different sources; spreadsheet report managers; pivot tables; Techniques for summarising data; producing a management analysis

Financial Markets & Institutions

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Financial Markets and Institutions		**Course Code:** MSFT204	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know determination of interest rates.
2. To understand different securities market.
3. To explore various financial instruments.
4. To understand non-banking financial institution framework.
5. To discuss the role of regulatory bodies.
6. To know the strategies of risk management.

Units	Name	Lectures
1.	Determination of Interest Rates	08
2.	Securities Markets	10
3.	Banks: Industry Overview	08
4.	Nonbank Financial Institutions	08
5.	Regulatory bodies	08
6.	Risk Management in Financial Institutions	08

Board of studies: Banking and Insurance

Day and Date of meeting: Saturday, 22nd January 2022

Units	Approved syllabus under Autonomy
1	Introduction: Determination of Interest Rates; Interest Rates and Security Valuation; Monetary Policy, and Interest Rates.
2	Securities Markets: Money Markets; Bond Markets; Mortgage Markets; Stock Markets; Foreign Exchange Markets; Derivative Securities Markets.
3	Banks: Industry Overview; commercial banks, cooperative banks; microfinance institutions; Banks' Financial Statements and Analysis; Regulation of banks.
4	Nonbank Financial Institutions: Lending Institutions; Finance Companies; NBFCs; Insurance Companies; depositories and depository participants, clearing corporations, Brokerage Firms; Merchant and Investment Banks; Mutual Funds and Hedge Funds; Pension Funds; registrars and transfer agents, credit rating agencies, portfolio management services, asset reconstruction companies; money market institutions –

	primary dealers, DFHI, CCIL, FIMMDA; insurance institutions – life insurance companies, non-life insurance companies, actuaries.
5	Regulatory bodies – Self Regulatory Organisation (SROs), SEBI, RBI, IRDA. International financial institutions – Federal Reserve Bank (US); Bank of England; European Central Bank; Securities Exchange Commission (SEC).
6	Risk Management In Financial Institutions: Types of Risks Incurred by Financial Institutions; Managing Credit Risk on the Balance Sheet; Managing Liquidity Risk on the Balance Sheet; Managing Interest Rate Risk and Insolvency Risk on the Balance Sheet; Managing Risk off the Balance Sheet with Derivative Securities; Managing Risk off the Balance Sheet with Loan Sales and Securitization.

Course Objectives:

1. Learners will be able to know determination of interest rates.
2. Learners will be able to understand different securities market.
3. Learners will be able to explore various financial instruments.
4. Learners will be able to understand non-banking financial institution framework.
5. Learners will be able to discuss the role of regulatory bodies.
6. Learners will be able to know the strategies of risk management.

Books & References:

1. Bhole L. M, 2009, Financial Markets and Institutions, 6th edition, Tata McGraw-Hill
2. Saunders and Cornett, 2009, Financial Markets and Institutions 4/e, Tata McGraw-Hill

Fixed Income Securities Market

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Fixed Income Securities Market		**Course Code:** MSFT205	
Periods per week (1 Period is 50 minutes)		**04**	
Credits		**04**	
		Hours	**Marks**
Evaluation System	**Semester End Examination**	**2**	**60**
	Internal Continuous Evaluation	**--**	**40**

Course Objectives:

1. To know Forward rates analysis.
2. To understand framework for analysing bonds.
3. To explore various sources of risk for bonds.
4. To understand fixed income strategies.
5. To discuss the role of fund management.
6. To know the strategies of risk management.

Units	Name	Lectures
1.	Forward Rate Analysis and Yield curves	10
2.	Framework for Analysing Bonds	10
3.	Risk Analysis for Bonds Sources of risk	10
4.	Fixed Income Strategies	10
5.	Fixed Income Fund Management	10

Board of studies: Banking and Insurance

Day and Date of meeting: Saturday, 22nd January 2022

Units	Approved syllabus under Autonomy
1	Understanding Forward Rate Analysis and Yield curves Term structure of interest rates and forward rate analysis; yield measures; analysing changes in the yield curve.
2	Framework for Analysing Bonds Cash flows for typical bond structures; time value of money; annuities; bond yields: coupon, current, yield to maturity (YTM), yield to call, realised yield; yield conventions; yield decomposition: current yield, interest upon interest, pull-to-maturity; duration; modified duration; convexity and relative convexity. yield curve analysis - coupon yield curve and the spot curve, interpretations of the yield curve, pricing bonds using the yield curve; implications of duration and convexity for bond analysis; using horizon analysis to evaluate bond strategies; analysis of bonds with embedded options; asset and mortgage-backed security analysis.
3	Risk Analysis for Bonds Sources of risk - credit risk; interest rate risks; reinvestment risks; liquidity; calls on bonds; analysis of corporate bond risk; analysing rating agencies criteria – Moodys, Standard and Poors; risks involved in treasury securities;

	price volatility and interest rate volatility; sources of interest rate volatility; key ratios for interest rate sensitivity.
4	Fixed Income Strategies Passive fixed income strategies; active fixed income strategies; common strategies - buy and hold, bullets and barbells, butterflies, ladders, immunization, hedging.
5	Fixed Income Fund Management Practice Constructing a fixed income portfolio, importance of asset allocation, funding liabilities, asset liability management (ALM), balanced fund approach.

Course Objectives:

1. Learners will be able to know Forward rates analysis.
2. Learners will be able to understand framework for analysing bonds.
3. Learners will be able to explore various sources of risk for bonds.
4. Learners will be able to understand fixed income strategies.
5. Learners will be able to discuss the role of fund management.
6. Learners will be able to know the strategies of risk management.

Books & References:

1. Bruce Tuckman, Fixed Income Securities: Tools for Today's Markets, 2nd ed., Wiley
2. Ren-Raw Chen, Understanding and Managing Interest Rate Risks, World Scientific
3. John C. Hull, Options, Futures, and Other Derivatives 6e, Pearson/Prentice Hall
4. M. Ansen, F. Fabozzi, M. Choudhry, and R.-R. Chen, Credit Derivatives, Wiley
5. Pietro Veronesi, 2010, Fixed Income Securities: Valuation, Risk, and Risk Management, John Wiley and Sons

Fixed Income Securities Analysis practical

Program Name: M.Sc. FINANCE		**Semester – II**	
Course Name: Fixed Income Securities Analysis		**Course Code:** MSFP204	
Periods per week (1 Period is 50 minutes)		**03**	
Credits		**02**	
		Hours per week	
Evaluation System	**Practical**	**3**	
	Internal Continuous Evaluation	**--**	

The Application of the following topics for solving real world problems in the area of fixed income securities market

Units	Proposed syllabus under Autonomy
1	Analysing Bonds Cash flows for typical bond structures; time value of money; annuities; bond yields: coupon, current, yield to maturity (YTM), yield to call, realised yield; yield conventions; yield decomposition: current yield, interest upon interest, pull-to-maturity; duration; modified duration; convexity and relative convexity. yield curve analysis - coupon yield curve and the spot curve, interpretations of the yield curve, pricing bonds using the yield curve; implications of duration and convexity for bond analysis; using horizon analysis to evaluate bond strategies; analysis of bonds with embedded options; asset and mortgage-backed security analysis.
2	Risk Analysis for Bonds Sources of risk - credit risk; interest rate risks; reinvestment risks; liquidity; calls on bonds; analysis of corporate bond risk; analysing rating agencies criteria – Moodys, Standard and Poors; risks involved in treasury securities; price volatility and interest rate volatility; sources of interest rate volatility; key ratios for interest rate sensitivity.
3	Fixed Income Strategies Passive fixed income strategies; active fixed income strategies; common strategies - buy and hold, bullets and barbells, butterflies, ladders, immunization, hedging.
4	Fixed Income Fund Management Practice Constructing a fixed income portfolio, importance of asset allocation, funding liabilities, asset liability management (ALM), balanced fund approach.

EXAMINATION SCHEME OF 60:40 FOR BBI PROGRAM	
SEMESTER END EXAMINATION: 60 MARKS	**60 Marks**
Q1) A / B or C / D 15 Marks Q2) A / B or C / D 15 Marks Q3) A / B or C / D 15 Marks Q4) A / B or C / D 15 Marks • 15 marks questions can be asked entirely or sub divided into 7/8 marks or 10/5 marks or 5/5/5 marks questions suitable to subject's requirement. • Equitable and fair representation from each module / Unit	
INTERNAL CONTINUOUS EVALUATION: 40 MARKS	
1. Online/ Offline Internal Examination - One Test	20 Marks
2. **At least One** of the following continuous evaluation methods: Assignment/ Case Study/ Research paper/ Presentation/ Problem solving/ Project/ Quiz/ Role Play/ Skill tests.	15 Marks
3. Overall Class Participation / Involvement	05 Marks
Total Internal Evaluation	**40 Marks**