MFM 331 PROJECT APPRAISAL & FINANCING

Objective: Equips the students to be aware of the latest trends in the Project Financing and give a broader view to subject both on a National & Global prospective. Thus encouraging them to become Project Managers in the future.

Module 1: **05 Hours**

Introduction to Project Financing: Concept of Project – Capital Expenditure Decisions – Project Development cycle – Project Appraisal.

Module 2 : **03 Hours**

Lending Institutions: Schemes offered – Assistance provided – Norms & Procedures followed.

Module 3 : **17 Hours**

Financial Projections: Estimating total projects costs – Preparing proforma Income Statement, Balance Sheet & Cash Flow Statement – Evaluating Project Feasibility – Financial Appraisal – Cash flows from Equity Point of View – Discounted & Non-discounted Project Appraisal Technique, Risk adjusted methods-Decision Tree, RAD-Risk adjusted discount rate, Certainty equivalent approach

Module 4 : **10 Hours**

Project Management: Concepts of projects – Project Management – Role of a Project manager – Advantages of Project management. Concept & Techniques of Project Planning: Meaning – Project Planning – Needs – Methodology – Steps & Techniques

Module 5 : **10 Hours** **Project Control & Monitoring:** Meaning of Control – Steps, Techniques in Project Control – Variance Analysis & Performance Analysis. Monitoring meaning – Scope – Designing System – Installing Project Monitoring Cell.

Module 6 : **05 Hours**

Project Management Information System: Concepts – MIS, PMIS, Total PMIS – Essential of PMIS – Designing & Structure of PMIS – Cost & Value of Information.

Module 7 : **05 Hours**

International Project Management : Introduction – Nature & Risks of International Project Management – Sources of Finance – Requirements For Success.

Reference Books:-

1. Dr. Prasanna Chandra: ***Project Planning, Analysis, Financing, Implementation & Review,*** Tata McGraw Hill.
2. Narendra Singh: ***Project Management.*** Himalaya Publishing House.
3. Vasanth Desai: ***Project Management.*** Himalaya Publishing House.

ICFAI – Text Book on **Project Financing**

MFM-332: DEPOSITORY SERVICES

Objective: Depositories plays a vital role in the Indian capital market. They bridge the gap between the investors and institutions and support for the smooth functioning of security transactions and procedural aspects of the market. To familiarize students with the Depository Services available in India this subject has been prescribed.

Total Hours:55

MODULE- I: 8 Hrs

Overview of the Capital Market

Overview of relevant laws, regulations - Primary Market - Secondary Market - Capital Market Intermediaries

MODULE- II: 8 Hrs Overview of NSDL and CDSL

Features of Depository System - Legal Framework - Organization structure - Bye-Laws & Business Rules of NSDL - NSDL System & Connectivity

MODULE- III: 11 Hrs

Business Partners of NSDL and CDSL

Business Partners of NSDL - Eligibility, Joining – Procedure/steps, Services, Records and Reconciliation, Rights & Obligations - CCs/ CHs - Eligibility, Admission criteria - Issuers and Registrar & Share Transfer Agents - Eligibility, Services, Records and Reconciliation, Rights & Obligations, Role of RTAs in demat and remat

NSDL Application software - Hardware Requirements of business partners - Service Standards - Benefits & Safety

MODULE- IV: 16 Hrs

Services Offered by Depository

Account Opening - Beneficiary Account - Salient Features, Procedure, Precautions - Clearing Member Account - Salient Features, Procedure, Precautions - Intermediary Account - Salient Features, Procedure, Precautions - Transmission & Nomination - Dematerialisation - Salient Features, Procedure, Precautions – Rematerialisation - Salient Features, Procedure, Precautions - Trading & Settlement - Salient Features, Off-market/market transfers, Pay-in, Pay-out, - Settlement of Trades, Precautions - Internet initiatives by NSDL - Speed-e, Ideas, Steady - Special Services - Pledging/ Hypothecation- Salient Features, Procedures for Creating, Confirming, Closing and Invoking a Pledge, Precautions - Securities Lending & Borrowing - Salient Features, Procedures for lending & borrowing, Repay of securities borrowed, Recall of securities lent - Corporate Actions - Non-cash Corporate Actions - Cash Corporate Actions - Payment of interest on Debt instrument by NSDL - Public Issues - Units of Mutual Funds - Salient Features, Procedure, Precautions and Distinguishing features in respect of US-64 - Debt instruments - Salient Features, Mode of Operations, Procedure for Certificate of - Deposits (CD), Commercial Papers etc. - Government Securities (G-Sec) - Salient Features, Procedure for dematerialisation & rematerialisation of physical certificates, G-sec in SGL form to Depository a/c, Precautions NSC/KVP in Dematerialisation Features and advantages Dematerialisation of Warehouse Receipts – Features MAPIN & TIN – Overview

MODULE- IV: 6 Hrs

Charges

Salient Features, NSDL and CDSL Charges and DP Charges

MODULE- IV: 6 Hrs

Safety and Progress

General, Specific and System Level, Benefits and Safety - (Numbers as given in the NEST update)

BOOKS FOR REFERENCE:

1. NCFM module -
2. Fisher & Jordan, "Investment Management."
3. Avadhani, Security Analysis and Portfolio Management. VII edition
4. Shalla, Security Analysis and portfolio management.
5. Puneethavathi & Pandian, Security Analysis and Portfolio Management.

MFM 333 TREASURY MANAGEMENT

Objective: Impart a sound understanding of the key principles in Treasury Management and to enable the students to understand basic treasury management process in any organization. To make the students appreciate the importance of treasury management in the overall financial management of an organization.

Module 1: INTRODUCTION TO TREASURY FUNCTION 10 Hours

Meaning – Evolution of Fund Management Function – Macro sense of treasury –Historical Evolution in Treasury Management – Linkage between Foreign Currency & Domestic Currency – Legal basis of Treasury Instrument- Treasury as money Management. Functions of Treasury management.

Module 2 : Internal Treasury Control 10 Hours

Meaning – Objectives of Internal control – Elements of Treasury control – Control techniques – Structure & Organisation – Role of a Chief Treasury Officer – Principles of Internal control – Role of Controllership – Physical controls – Custodial control & Insurance – Treasury Control on Market Operations – System control of treasury – accounting Control – Control on Cash Flows.

Module 3 : Money Market Operations 10 Hours

Developed & Under developed Markets – Sub-Markets – Bill market in India – New Money Market Instruments - Classification Of Money Market Instruments – Money Market Rates – Commercial Paper – Certificate of Deposits – Participation Certificates – How Treasury can be a Profit Centre – New Instruments – Money Market Mutual Funds.

Module 4 : Treasury Management in Commercial Banks 05 Hours

Non-performing Assets & Capital adequacy Norms (CAR) – CRR- SLR- Investment Function – Planning Investment Portfolio – Operations in the Secondary Market – Back Office Support & Accounting.

Module 5 : Risk Management in Market Operations 10Hours

High Exchange rate risk in Forex Market – Exchange Rate Management in India – Options for Treasury Manager – Options for Treasury Manager in Convertible Currencies – Currency Dealer – Treasury Management – Maket makers in Foreign Exchange Market – Interest Risk Measures – Asset Liability Management.

Module 6 : Managing Bankruptcy 05Hours

Meaning – Financial Crisis & Bankruptcy – Causes for Financial Crisis – Bakre's Role in Emerging Crisis – Early Warning Signals

Module 7 : MIS for Treasury operations 05Hours

Meaning – Current Economic Developments – Current Monetary & Credit policy – Fiscal & Budget Policies – Tax System- Reforms in Exchange Mechanism – RBI measures in Forex market – International Developments.

Reference Books:-

ICFAI – Treasury Management (Theory & Practice)
Dr.V.A Avadhani, ***Treasury Management in India,*** Himalayas Publishing house.

MFM-334: SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Objective: To provide insight about the relationship of the risk and return and how risk should be measured to bring about a return according to the expectations of the investors and Portfolio management practices in india. Also to familiarize the students with the fundamental and technical analysis of the diverse investment avenues

Total Hours:55

MODULE- 1: **6 Hrs**

Basics of investment – Scope - Economic meaning and significance of income, savings, investments, security, speculation, and gambling Comparison between investment and speculation - Profile of Indian investors and factors influencing investment decisions – Internal and external factors, Legal framework of securities market in India, investors and stock exchanges, and its significance in Indian financial system.

MODULE - 2 **10 Hrs**

Investment Options and Attributes: Characteristics features of financial instruments, Types of financial assets and instruments, Various investments - Company Shares, Debentures, Bonds, Mutual funds, fixed deposits, gilt- edged securities, Futures and Options, post office schemes, company and public provident funds, unit trust of India, LIC, Real Estate, bullion, insurance schemes and Global securities - Risk, Return, Security, Maturity, and optional features. Finance vs. investments- interactive decision elements.

MODULE – 3 10 **Hrs**

Security Markets: Features of capital markets and functioning, New issues market - IPO's, procedures - valuation of issues - fundamental and technical considerations -Stock exchanges - role and importance, trading procedures in securities, - brokers and Jobbers, Index's - Role of SEBI in brief.

MODULE - 4 **10 Hrs**

Security Analysis: Risk perception and attitude. Systematic and Non-Systematic risks. Fundamental analysis – Company, Industry and Economic analysis - Technical analysis of securities – Charts, and Graphs - Moving averages - Types – implications on investment.

MODULE - 5: **11 Hrs**

Security pricing: Security Valuation - Factors influence valuation - Valuation of fixed income instruments and equities - calculation of return on yield, Intrinsic value, Mathematics of financial evaluation, discounting, compounding, annuities, present value, and yield and calculations Net worth. Equity valuation - Constant Growth Modal - Dividend capitalization - Earnings capitalization, security pricing model

MODULE - 6: **8 Hrs**

Portfolio management; Meaning, Return on portfolio, risk on portfolio, portfolio managers, SEBI guidelines for portfolio managers, portfolio management services.Portfolio theory - contribution of William Sharpe and Harry Markowitz,- Single index model, capital asset pricing modal and arbitrage pricing theory

BOOKS FOR REFERENCE:

6. Fisher & Jordan, "Investment Management."
7. Avadhani, Security Analysis and Portfolio Management. VII edition
8. Shalla, Security Analysis and portfolio management.
9. Puneethavathi & Pandian, Security Analysis and Portfolio Management.
10. Prasanna Chandra, Managing Investments.

MFM - 335 DEBT MARKET AND MUTUAL FUNDS

Objective: To familiarize the students with the Mutual Fund Operations, Credit rating systems and Debt market practices in India. Also to provide insight about the relationship of the Risk and Return, Measuring risk bringing returns according to the expectations of the investors in the debt and mutual fund instruments.

Total Hours: 55

UNIT – 1: Fixed Income Securities Markets: Overview 5 hrs

Features - types – Debt market in India - Institutional Arrangements **-** Market Participants and Instruments **-** Investors Perspectives: Risk and Rewards - Treasury Securities Auction **-** Government Bond Markets - Auction Mechanisms - Uniform vs Discriminatory Auction - Auction and Repo Markets - Markets Implications of Auctions

UNIT – 2: Bond Mathematics 8 hrs

Time Value of Money - Price and Yield Conventions - Bond Valuation

UNIT – 3: Risk Identification in Bonds 10 hrs

Credit rating system – risk factors - Duration, Convexity - Immunization Strategies – Bond price theorems – malkiel bond theorems - Yield Curve Analysis - Par Value, Zero, Spot Curve **-** Term Structure of Interest Rates **-** Constructing Yield Curve: Bootstrapping

UNIT – 4: Corporate Debt Markets 8 hrs

Structure, Rating, Spread - Issuers and Investors Perspectives - Valuation, Convertibles - Financial Distress, Bankruptcy, Current trends in Indian Debt market

UNIT – 5: Bond Portfolio Management Strategies 8 hrs

Fixed Income Derivative Markets - FRAs, Swaps, Futures, Options Global Fixed Income Securities Markets: Indexing, Securitization

UNIT – 6: Mutual Fund Valuations 16 hrs

Mutual Funds - Concept and role - Mutual Fund Industry - Formation and Organization - Fund Accounting and Valuation**.** Portfolio Management: Managing Unit Holder’s money · Performance Measurement and Evaluation of Mutual Fund Schemes · Mutual Fund as an investment · Developing a Model Portfolio for the investor · Unit holders Protection

BOOKS FOR REFERENCE:

1. Fixed Income Markets Author : Moorad Choudhry,oldrich Masek, Publisher: john wiley and sons inc
2. Fixed Income Markets Author : Moorad Choudhry,oldrich Masek, Publisher: john wiley and sons inc
3. How the bond market works publisher Addison-we
4. The fundamentals of municipal bonds Author : Bond Market Association Publisher: John Wiley
5. Fisher & Jordan, “Investment Management.”
6. Avadhani, Security Analysis and Portfolio Management. VII edition
7. Shalla, Security Analysis and portfolio management.

MFM 336 DIRECT TAXES:

Total Hours: 55

Objective: To enable the students to have a better knowledge about computation of net wealth and taxable income under various heads, and also tax liabilities and other legal obligations as per the Income Tax Act.

MODULE: 1 **2 hours**

Introduction To Taxation-Direct And Indirect Tax, Income Tax Act 1961, Income Tax Rules 1962, Finance Act, Scheme of IT An Over-View Basic Concepts- Assessee, Person, Assessment Year, Previous Year, Agricultural Income, Income, GTI, Total Income, Average Rate Of Tax ***Capital And Revenue.***

MODULE: 2 **4 hours**

Residential Status And Incidence Of Tax, Determination of residential status, Kinds of income, incidence of tax, Income exempted from Tax

MODULE : 3 **6 hours**

Income from Salary: Chargeability, Various Allowances, Perquisites, And Their Valuation, Treatment of Provident Fund, profit the Lieu of salary, Deductions From Gross Salary, Retirement Benefits (Simple Practical Problems).

MODULE: 4 **4 hours**

Income from house property:
Chargeability, annual value and its determination, deductions from annual value, (practical problems)

MODULE: 5 **16 hours**

Profits and Gains of Business and Profession: Meaning Of Business and Profession, Incomes Chargeable Computation Of Taxable Income, Treatment fringe benefit tax, Deemed Profit And Incomes Treatment Of Depreciation.(Advanced Practical Problems)

MODULE: 6 **5 hours**

Capital Gains:
Meaning of important terms, Computation of capital gains
exemptions from LTGC.

MODULE: 7 **5 hours**

Income from Other Sources: Incomes taxable, deductions allowed, Grossing up of income, computation of taxable income **Clubbing of income & set off and carry forward**

MODULE: 8 **5 hours**

Deductions from gross total income
Assessment of Individuals: Computation of total income and tax liability.

MODULE: 9 **3 hours**

Assessment procedure, income tax authorities and their powers, Collection and Recovery of Tax. Double taxation avoidance agreement, Transfer Pricing-Valuation procedure(Basic Introduction)

MODULE: 10 **5 hours**

Wealth Tax Act
Computation of net wealth and tax liability

BOOKS RECOMMENDED

1. Direct Tax Law And Practice By Dr. Bhagawathy Prasad New Age Publications
2. Direct Tax Law And Practice By Dr. H.P Mehrotra Sahitya Bhavan Publications

3. Students Guide To Income Tax By Dr. Vinod .K. Singhani Tax Man Publications
4. Income Tax Law And Practice By Gaur And Narang Kalyani Publications