

**DIPLOMA IN FINANCIAL MANAGEMENT**  
**SCHEME OF EXAMINATIONS**

PAPER	SUBJECTS	CREDIT	MAX MARKS		TOTAL
			INT	EXT	
<b>I SEMESTER</b>					
Paper-I	Management Principles and Business Ethics	4	25	75	100
Paper – II	Organizational Behaviour	4	25	75	100
Paper-III	Accounting for Manager	4	25	75	100
Paper-IV	Managerial Economics	4	25	75	100
Paper – V	Innovation and Entrepreneurship	4	25	75	100
<b>II SEMESTER</b>					
Paper-VI	Corporate Finance	3	25	75	100
Paper-VII	Security Analysis and Portfolio Management	3	25	75	100
Paper-VIII	Tax Management	3	25	75	100
Paper – IX	Merchant Banking & Financial Services	3	25	75	100
Paper – X	Project Report	8	25	75	100

**1. SYLLABUS**

**SEMESTER -I**

**PAPER –I MANAGEMENT PRINCIPLES AND BUSINESS ETHICS**

**UNIT - I**

Introduction: Nature of Management – **Management Skills** - The Evolution of Management Thought – Tasks of a Professional Manager – **Manager – Organisational Culture - Environment** – Systems Approach to Management – Levels in Management

**UNIT - II**

Planning & Decision Making: Steps in Planning Process – Scope and Limitations – Short Term and Long Term Planning – Flexibility in Planning – Characteristics of a Sound Plan – Management By Objectives (MBO). **Strategic Management Process** Decision Making Process and Techniques.

**UNIT – III**

Nature of Organizing : Organisation Structure and Design - Authority Relationships – Delegation of Authority and Decentralisation – Interdepartmental Coordinator – emerging Trends in corporate Structure, Strategy and Culture – Impact of Technology on Organisational design – Mechanistic vs. Adoptive Structures – Formal and Informal Organisation. Span of control – Pros and Cons of Narrow and Wide Spans of Control – Optimum Span - **Managing Change and**

## **Innovation.**

### **UNIT – IV**

Control: Concept of Control – Application of the Process of Control at Different Levels of Management (top, middle and first line). Performance Standards – Measurements of Performance – Remedial Action - An Integrated Control system in an Organisation – Management by Exception (MBE) – **Leadership – Approaches to Leadership and Communication.**

### **UNIT – V**

Business Ethics: Importance of Business Ethics – Ethical Issues and Dilemmas in Business - Ethical Decision Making and Ethical Leadership – Ethics Audit - **Business Ethics and - CSR Models.**

### **Reference Books**

1. Certo, S C. and Certo, T, Modern Management, 12<sup>th</sup> Edition, Prentice Hall, January 2011.
2. Griffin, R. W., Management, 11<sup>th</sup> Edition, South-Western College Publication, January 2012.
3. Koontz, H. and Weihrich, H., Essentials of Management: An International Perspective, 8<sup>th</sup> Edition, Tata McGraw Hill Education Private Ltd., July 2009.
4. Mukherjee, K., Principles of Management, 2<sup>nd</sup> Edition, Tata McGraw Hill Education Pvt. Ltd., 2009.
5. Robbins, S and Coulter, M, 11<sup>th</sup> Edition, Management, Prentice Hall, January 2011.
6. Schmerhorn, J.R., Management, 11<sup>th</sup> Edition, Wiley, July 2012.

## **PAPER –II ORGANISATIONAL BEHAVIOUR**

### **UNIT - I**

Introduction to Organisational Behaviour: Historical background of OB - Concept Relevance of OB – Contributing disciplines - to the field of OB, challenges and opportunities for OB, foundations of Individual Behaviour. Theory – social theory-

### **UNIT – II**

Individual Difference - Personality – concept and determinants of personality – theories of personality – type of theories – trait theory – psycho analytic theory - social learning theory – Erikson’s stages of Personality Development Chris Argyris Immaturity to Maturity Continuum. Personality – Job fit. Perception: Meaning Process – Factors influencing perception – Attribution theory

Learning: Classical, Operant and Social Cognitive Approaches – Managerial implications. Attitudes and Values:- Components, Attitude – Behaviour relationship, formation, values.

Motivation: Early Theories of Motivation – Hierarchy of needs theory, Theory X and Theory Y, Two factor theory, McClelland’s theory of needs and Contemporary theories of motivation – Self – Determination theory, Job Engagement, Goal Setting theory, Self – efficacy theory, Re – inforcement theory, Equity theory, Expectancy theory.

### **UNIT - III**

Group Dynamics – Foundations of Group Behaviour – Group and Team - Stages of Group Development–Factors affecting Group and Team Performance - Group Decision making Interpersonal Communication – Communication Process – Barriers to Communication – Guidelines for Effective Communication

### **UNIT - IV**

Leadership – Trait, Behavioural and Contingency theories, Leaders vs Managers Power and Politics: Sources of Power – Political Behaviour in Organisations – Managing Politics.

Conflict and Negotiation: Sources and Types of Conflict – Negotiation Strategies – Negotiation Process

### **UNIT – V**

Organisational Culture : Concept and Importance – Creating and Sustaining Culture. Emotional Intelligence, Work Life Integration Practices.

### **Reference Books**

1. Stephen P. Robins, Timothy A. Judge and Neharika Vohra, Organisational Behaviour, 15<sup>th</sup> Edition, Pearson Education, Inc. publishing as Prentice Hall, 2013.
2. K. Aswattappa, Organisational Behaviour, Himalaya Publishing House, 10<sup>th</sup> Edition, 2012.
3. Luthans, F. Organizational Behavior, 12<sup>th</sup> Edition, Tata McGraw Hill Education, 2011.
4. McShane, S.L., Von Glinow, M.A., and Sharma, R.R., Organizational Behavior, 5<sup>th</sup> Edition, Tata McGraw-Hill Education Pvt. Ltd., 2011.
5. Blanchard, K.H., Hersey, P. and Johnson, D.E., Management of Organizational Behavior: Leading Human Resources, 9<sup>th</sup> Edition, PHI Learning, 2008.
6. Newstrom, J.W., Organizational Behavior, 12<sup>th</sup> Edition, Tata McGraw-Hill Education Pvt. Ltd., 2010.

## **PAPER – III ACCOUNTING FOR MANAGER**

### **Unit I**

Financial Accounting – Meaning - Objectives - functions. Branches of Accounting: Financial, Cost and Management Accounting - Accounting Concepts and conventions. Journal – Ledger – Trial Balance – Preparation of Final Accounts: Trading, Profit and Loss Account and Balance Sheet (problems)

### **UNIT II**

Financial Statement Analysis - Objectives - Techniques of Financial Statement Analysis: Accounting Ratios- Classification of Ratios: Profitability, Liquidity, Financial and Turnover Ratio - problems.

Fund Flow Statement - Statement of Changes in Working Capital - Preparation of Fund Flow Statement - Cash Flow Statement Analysis- Distinction between Fund Flow and Cash Flow Statement - problems

### **UNIT – III**

Marginal Costing - Definition - distinction between marginal costing and absorption costing - Break even point Analysis - Contribution, p/v Ratio, margin of safety - Decision making under marginal costing system-key factor analysis, make or buy decisions, export decision, sales mix decision-Problems.

### **UNIT – IV**

Budget, Budgeting, and Budgeting Control - Types of Budgets - Preparation of Flexible and fixed Budgets, master budget and Cash Budget - Problems -Zero Base Budgeting. Standard costing and variance analysis.

### **UNIT – V**

Cost Accounting : meaning – Objectives - Elements of Cost – Cost Sheet(Problems) – classification of cost – Cost Unit and Cost Centre – Methods of Costing – Techniques of Costing. Standard costing and variance analysis Reporting to Management – Uses of Accounting information in Managerial decision-making.

### **Reference Books**

1. Gupta, A., Financial Accounting for Management: An Analytical Perspective, 4<sup>th</sup> Edition, Pearson, 2012.
2. Khan, M.Y. and Jain, P.K., Management Accounting: Text , Problems and Cases, 5<sup>th</sup> Edition, Tata McGraw Hill Education Pvt. Ltd., 2009.

3. Nalayiram Subramanian, Contemporary Financial Accounting and reporting for Management – a holistic perspective- Edn. 1, 2014 published by S. N. Corporate Management Consultants Private Limited
4. Horngren, C.T., Sundem, G.L., Stratton, W.O., Burgstahler, D. and Schatzberg, J., 14<sup>th</sup> Edition, Pearson, 2008.
5. Noreen, E., Brewer, P. and Garrison, R., Managerial Accounting for Managers, 13<sup>th</sup> Edition, Tata McGraw-Hill Education Pvt. Ltd., 2009.
6. Rustagi, R. P., Management Accounting, 2<sup>nd</sup> Edition, Taxmann Allied Services Pvt. Ltd, 2011.

## **PAPER- IV MANAGERIAL ECONOMICS**

### **Unit 1 : Fundamentals of Economics**

Economics-twin theme of economics- three economic problems -production possibility frontier (PPF)- Firm objectives and individual decision making- Economy model in circular flow- Externalities-Demand & Supply- Types of demand -Determinants of Demand & Supply – Types of goods- types of elasticity in D & S, Utility, Indifference curve, market equilibrium of D & S- price control mechanisms -Case study.

### **Unit 2 : Production function and Market structure**

Production function-short and long run relationship- Isoquants-Isocost-Returns to scale – Characteristics of Monopoly, Perfect, Monopolistic competition, Oligopoly market structure- Profit maximization, price and output relationship in long run and short run- types of pricing- Case study.

### **Unit 3: Macro economics**

Objectives, scope of Macroeconomics-Aggregate demand – Aggregate supply – Variables of macroeconomics- output & Income determination, - unemployment -inflation, Economic growth, International trade, Business cycle, Exchange rate -National income determination and its measurement – Multiplier effect- Case study.

### **Unit 4 : Role of Money and Economic policy**

Fiscal and monetary policy – Supply & Demand for money- Keynesian theory of money and interest -IS-LM model with foreign sector- Case study.

### **Unit 5 : International Aspects of Economics**

Foreign Exchange market – Exchange rate determination -Balance of payment-Trade policy – International monetary system and Financial institutions- trade organization- Heckscher-Ohlin theory of trade- Case study.

### **References:**

1. Foundation of Economics, Andrew Gillespie, Oxford University press.
2. William Boyes and Michael Melvin, Textbook of economics, Biztantra, 2005.
3. N. Gregory Mankiw, Principles of Economics, 3rd edition, Thomson learning, New Delhi, 2007.
4. Richard Lipsey and Alec Charystal, Economics, 12th edition, Oxford,

- University Press, New Delhi, 2011.
5. Karl E. Case and Ray C. Fair, Principles of Economics, 6th edition, Pearson, Education Asia, New Delhi, 2002.
  6. International Economics: Theory and Policy, D. N Dwivedi, Vikas publishing house.



## **PAPER –V - INNOVATION AND ENTREPRENEURSHIP**

### **UNIT I**

Introduction: The Entrepreneur – Definition – Characteristics of Successful entrepreneur. Entrepreneurial scene in India: Analysis of entrepreneurial growth in different communities – Case histories of successful entrepreneurs. Similarities and Distinguish between Entrepreneur and Intrapreneur.

### **UNIT II**

Innovation in Business: Types of Innovation – Creating and Identifying Opportunities for Innovation – The Technological Innovation Process – Creating New Technological Innovation and Intrapreneurship – Licensing – Patent Rights – Innovation in Indian Firms

### **UNIT III**

New Venture Creation: Identifying Opportunities for New Venture Creation: Environment Scanning – Generation of New Ideas for Products and Services. Creating, Shaping, Recognition, Seizing and Screening of Opportunities.

Feasibility Analysis: Technical Feasibility of Products and Services - Marketing Feasibility: Marketing Methods – Pricing Policy and Distribution Channels

### **UNIT IV**

Business Plan Preparation: Benefits of a Business Plan – Elements of the Business Plan – Developing a Business Plan – Guidelines for preparing a Business Plan – Format and Presentation.

### **UNITV**

Financing the New Venture:Capital structure and working capital Management: Financial appraisal of new project, Role of Banks – Credit appraisal by banks. Institutional Finance to Small Industries – Incentives – Institutional Arrangement and Encouragement of Entrepreneurship.

### **Reference Books**

1. Barringer, B., Entrepreneurship: Successfully Launching New Ventures, 3<sup>rd</sup> Edition, Pearson, 2011.
2. Bessant, J., and Tidd, J., Innovation and Entrepreneurship, 2<sup>nd</sup> Edition, John Wiley & Sons, 2011.
3. Desai, V., Small Scale Industries and Entrepreneurship, Himalaya Publishing House, 2011.

4. Reddy, N., Entrepreneurship: Text and Cases, Cengage Learning, 2010.
5. Roy, R., Entrepreneurship, 2<sup>nd</sup> Edition, Oxford University Press, 2011.
6. Stokes, D., and Wilson, N., Small Business Management and Entrepreneurship, 6<sup>th</sup> Edition, Cengage Learning, 2010.

**SEMESTER -II**  
**PAPER - VI CORPORATE FINANCE**

**Unit I**

Introduction: Corporate Finance – Nature and Scope - Role of Financial Institution - Valuation of the Firm – Time value of money concepts.

**Unit II**

Indian Capital Market – Basic problem of Industrial Finance in India. Fiscal Policies, Government Regulations affecting Capital Market – Role of SEBI – Stock Markets.

Equity – Debenture financing – Guidelines from SEBI, advantages and disadvantages and cost of various sources of Finance

**Unit III**

Investment Decision: Investment Analysis – Risk Analysis Probability Approach. Business Failures, Mergers, Consolidations and liquidation.

**Unit IV**

Finance from international sources, financing of exports – role of EXIM bank and commercial banks.– Finance for rehabilitation of sick units. Inflation and Financial Decisions.

**Unit V**

Foreign Collaboration – FDI and FIIS Business Ventures Abroad. International Financial Institutions & Multinational Corporations.

**Reference Books**

1. Brealey, R.A., Myers, S.C., Allen, F. and Mohanty, P., Principles of Corporate Finance, 10<sup>th</sup> Edition, Tata McGraw-Hill Publishers, 2012.
2. Damodaran, A., Applied Corporate Finance, 3<sup>rd</sup> Edition, Wiley, 2012.
3. Damodaran, A., Corporate Finance: Theory and Practice, 2<sup>nd</sup> Edition, Wiley India Pvt Ltd., 2007.
4. Kidwell, D. and Parrino, R., Fundamentals of Corporate Finance, Wiley India Pvt. Ltd., 2011.
5. Madura, J., International Corporate Finance, 10<sup>th</sup> Edition, Cengage Learning, 2012.
6. Viswanath, S., Cases in Corporate Finance, Tata McGraw-Hill Education, 2009.

## **PAPER – VII SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT**

### **UNIT I**

#### **INTRODUCTION**

Investment - Concept of investment-importance-alternate forms of investment-LIC schemes-bank deposits-government securities-mutual fund schemes-post office schemes-provident fund-company deposits-real estate-Gold and Silver.

**RISK AND RETURN:** Concepts of risk and return, measurement of risk is measured in terms of standard deviation and variance, the relationship between risk and return.

### **UNIT II**

#### **SECURITIES MARKETS**

Investment Environment: Financial Market - Segments – Types - Participants in financial Market – Regulatory Environment, Primary Market – Methods of floating new issues, Book building – Role of primary market – Regulation of primary market, Stock exchanges in India – BSE, OTCEI, NSE, ISE, and Regulations of stock exchanges – Trading system in stock exchanges –SEBI.

### **UNIT III**

#### **FUNDAMENTAL ANALYSIS**

Economic Analysis – Forecasting techniques. Industry Analysis : Industry classification, Industry life cycle – Company Analysis. Measuring Earnings – Forecasting Earnings – Applied Valuation Techniques – Graham and Dodds investor ratios.

### **UNIT IV**

#### **TECHNICAL ANALYSIS**

Fundamental Analysis Vs Technical Analysis – Charting methods – Market Indicators. Trend –Trend reversals – Patterns - Moving Average – Exponential moving Average – Oscillators – Market Indicators – Efficient Market theory.

### **UNIT V**

#### **PORTFOLIO MANAGEMENT**

Portfolio analysis –Portfolio Selection –Capital Asset Pricing model – Portfolio Revision –Portfolio Evaluation

#### **ReferenceBooks**

1. Donald E.Fischer & Ronald J.Jordan, Security Analysis & Portfolio Management, PHI Learning., New Delhi, 8th edition, 2011.
2. Prasanna Chandra, P., Investment Analysis and Portfolio Management, 4th Edition, Tata McGraw-Hill Education, 2012.
3. Kevin, S., Security Analysis and Portfolio Management, PHI Learning, 2009.

4. Khatri, D.K., Security Analysis and Portfolio Management, Macmillan Publishers India, 2010.
5. Ranganathan, M. and Madhumathi,R., Security Analysis and Portfolio Management, 2<sup>nd</sup>Edition, Pearson, 2012.
6. Reilly, F. and Brown, K. C., Analysis of Investments and Portfolio Management, 10<sup>th</sup> Edition, Cengage Learning, 2012.

## **PAPER – VIII TAX MANAGEMENT**

### **UNIT I**

Introduction: Income Tax Law – important concepts -Scheme of Taxation – types of Taxes, concept, objectives and factors to be considered for Tax Planning-Residential status – Tax free incomes. Filing of Income Tax Returns – Provisions, Forms and Due Dates, Notices and Assessments.

### **UNIT II**

Heads of Income – Salaries, definition of salary, Fringe benefits and perquisites, Profit in lieu of salary and tax planning avenues for salary income ,Income from house property, profits and gains of Business of profession, capital gains-Provisions relating to Capital Gains Tax and exemptions from Capital Gains Tax-Income from other sources - basis of charge; chargeable incomes; specific deductions; amount not deductible; computation of taxable income from other sources..

### **UNIT III**

Deductions to be made in computing total income – Resale's and Reliefs of Income tax – Taxation of Non-Residents. Income –tax Payment and Assessment -Tax deduction at source; advance tax; self-assessment tax; assessment procedure regular and best judgment assess revision, rectification and appeal, provision relating to interest and refund of tax.

### **UNIT IV**

Corporate Taxation - Computation of taxable income, Carry-forward and set-off of losses for companies, Minimum Alternative Tax (MAT), Set-off and Carry-forward of Amalgamation Losses. Tax planning in capital budgeting decision, leasing, hire purchase or buy decision raising of capital: equity, debt or preference share, transfer pricing and its impact, tax Provisions for Venture Capital Funds

### **UNIT V**

Wealth Tax and Other Direct Taxes - Wealth Tax Act and Rules, definition of Wealth and Its Components Wealth escaping Assessment, Assets Exempt from Wealth Tax, Gift Tax Act and Rules and Estate Duty Act. Assessment of Trusts and Assessment of companies – Deemed income under MAT Scheme – Tax on income by UTI or Mutual fund – Venture Capital Company / Venture Capital Funds.

**Reference Books**

1. Students Guide to Income Tax by Dr. Vinod K. Singhanian and Monica Singhanian.
2. Indirect Tax by Vinod K. Singhanian
3. Iyengar, A C., Sampat Law of Income Tax. Allahabad, Bharat Law House.
4. Kanga, J. B. and Palkhivala, N.A., Income Tax. Bombay, Vol.1-3, N.M. Tripathi.
5. Lal, B.B., Direct Taxes Practice and Planning Konark Publishers Private Ltd, Delhi, Latest Edition.
6. Prasad, B., Income Tax Law and Practice ViswaPrakashan, New Delhi, Latest Edition.

## **PAPER – IX MERCHANT BANKING AND FINANCIAL SERVICES**

### **UNIT I**

#### **MERCHANT BANKING**

Introduction – An Over view of Indian Financial System – Merchant Banking in India – Recent Developments and Challenges ahead – Institutional Structure – Functions of Merchant Bank - Legal and Regulatory Framework – Relevant Provisions of Companies Act- SERA- SEBI Guidelines - FEMA, etc. - Relation with Stock Exchanges and OTCEI.

### **UNIT II**

#### **ISSUE MANAGEMENT**

Role of Merchant Banker in Appraisal of Projects, Designing Capital Structure and Instruments – Issue Pricing – Book Building – Preparation of Prospectus Selection of Bankers, Advertising Consultants, etc. - Role of Registrars – Bankers to the Issue, Underwriters, and Brokers. – Offer for Sale – Green Shoe Option – E-IPO, Private Placement – Bought out Deals – Placement with FIs, MFs, FIIs, etc. Off - Shore Issues. – Issue Marketing – Advertising Strategies – NRI Marketing – Post Issue Activities.

### **UNIT III**

#### **OTHER FEE BASED SERVICES**

Mergers and Acquisitions – Portfolio Management Services – Credit Syndication – Credit Rating – Business Valuation.

### **UNIT IV**

#### **FUND BASED FINANCIAL SERVICES**

Leasing and Hire Purchasing – Basics of Leasing and Hire purchasing – Financial Evaluation.

### **UNIT V**

#### **OTHER FUND BASED FINANCIAL SERVICES 8**

Consumer Credit – Credit Cards – Real Estate Financing – Bills Discounting – factoring and Forfeiting – Venture Capital.

### **REFERENCES:**

1. M.Y.Khan, Financial Services, Tata McGraw-Hill, 12th Edition, 2012
2. Nalini Prava Tripathy, Financial Services, PHI Learning, 2011.
3. Machiraju, Indian Financial System, Vikas Publishing House, 2nd Edition, 2010.
4. J.C.Verma, A Manual of Merchant Banking, Bharath Publishing House, New Delhi,
5. Varshney P.N. & Mittal D.K., Indian Financial System, Sultan Chand &



Sons, New Delhi.

6. Sasidharan, Financial Services and System, Tata Mcgraw Hill, New Delhi,