



JAI HIND COLLEGE
BASANTSING INSTITUTE OF SCIENCE
&
J.T.LALVANI COLLEGE OF COMMERCE
(AUTONOMOUS)

"A" Road, Churchgate, Mumbai - 400 020, India.

Affiliated to
University of Mumbai

Program: BFM

Proposed Course: Financial Markets

Semester V

**Credit Based Semester and Grading System (CBGS) with effect
from the academic year 2020-21**

TYBFM SEMESTER V
Academic year 2020-2021

BFM- Semester V				
Course Codes		Course Title	Credits	Lectures
				/Week
CBFM501	Core Course	Financial Derivatives	6	5
CBFM502	Core Course	Fundamentals of Investment Banking	6	5
CBFM503	Core Course	Technical Analysis	6	5
CBFM504	Compulsory Course	Securities Analysis & Portfolio Management	4	4
CBFM505	Elective Course	Marketing in Financial Services/ Human Resource Management in Financial Services/ Direct Tax	4	4
CBFM506	Applied Course	Project Work	4	4

Course Code CBFM501	FINANCIAL DERIVATIVES (Credits: 06 Lectures / Week :05)	
	<p>Objectives:</p> <p>This course is designed to offer the fundamental understanding and clear conceptual knowledge of Derivative Dealing. The course will establish a clear understanding about different Derivative products, their Global presence on exchanges and OTC as well, the pricing of derivative products. The course will further enlighten the students on the practical aspect of Trading and settlement of Futures and Options, different entities involved and their roles with Risk management systems.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • Creates understanding of Derivatives and its applicability. • Creates understanding about Derivative trading terminologies and different models. • Ability to understand whether a Derivatives contract is overpriced or underpriced. 	
	THEORY	(75lectures)
1	Introduction to Derivatives	18 L
1.	Definition – Types- Participants and Functions- Development of Exchange traded derivatives	
2.	Global derivatives markets- Exchange traded vs OTC derivatives market	
3.	Derivatives trading in India- L.C.Gupta committee- J.R.C. varma committee	
4.	Requirements for a successful derivatives markets	
2	Futures and Options- Introduction	19 L
1.	Futures: Introduction- Future terminology- Key features of futures contracts- Future vs. Forwards- Pay off for futures- Equity futures- Equity futures in India-Index futures- Stock futures- Future trading strategies-Hedging- Speculation- Arbitrage- Spread trading.	

2.	Options: Introduction- Option terminology- Types- Options pay off- Equity options contracts in India-Index Options – Stock options- Options trading strategies- Hedging- Speculation- Arbitrage- Straddle- Strangles- Strips and Straps – Spread trading	
3	Pricing of Future Options	19 L
1.	The cost of carry models for stock and index futures- cash price and future price, arbitrage opportunity	
2.	Factors affecting options pricing- Option pricing models- Binominal pricing model- The black and Scholes model –Pricing of Index options. Include practical problems under Pricing Model.	
3.	Sensitivity of option premia (Delta, Gamma, Lambda, Theta, Rho)	
4	Trading Clearing and Settlement of Options and Futures	19 L
1.	Futures and Options trading system- Trader workstations- contract specification- specification for stock and index eligibility for trading charges	
2.	Clearing entities and their role- clear mechanism –adjustment for corporate actions- open position calculation	
3.	Margining and settlement mechanism- Risk management- SPAN – Mechanics of SPAN- Overall portfolio margin requirements.	
References:	<ul style="list-style-type: none"> • John C. Hull & Sankarshan Basu, Options, Futures And Other Derivative, Ninth Edition, Pearson publication. • John C. Hull, Fundamentals of Futures and Options Market, Eighth Edition, Pearson Publication. 	

Evaluation Scheme

Evaluation scheme for Theory courses

I. Continuous Assessment (C.A.) - 40 Marks

Project/ assignment/ presentation/test

II. Semester End Examination (SEE)- 60 Marks

Course Code CBFM502	Fundamentals of Investment Banking (Credits: 06 Lectures / Week :05)	
	Objectives: This course delves into the structure, management and practices of investment banking (IB) from larger more universal players to boutique operations. It covers the business activities of mergers and acquisitions, financing and investment.	
	Outcomes: The course will provide the intellectual framework used in the investment banking process: financial analysis, valuation and the mechanics of deal structuring.	
	Other learning outcomes include analysis and valuation in M&A and LBO settings and understanding the sources of capital in the context of these transactions.	
1	INVESTMENT BANKING – OVERVIEW	
1	Meaning of Investment, Investment banking	18 L
2	Merchant Banking	
3	Types of Investment risk and Types of Interest risk	
4	Synergies between Investing & Investment Banking	
5	Role of an Investment banker.	
2	CORPORATE RESTRUCTURING	
1	Introduction, Objectives, Advantage and Dis-advantages	19 L
2	Types of Asset Restructuring- Spin-off, Split-off, Split-up, De-merger, Divestment, Merger, Takeover, Joint Venture, Alliances	
3	Types of Liability side Restructuring- LBO, MBO, EBO, Leveraged Capitalization, Equity Reduction, Shares Buyback	
4	Legal aspects of Restructuring -Companies Act, 2013, Sick Industrial Companies Act, 2013, Listing Agreement, SCRA, FEMA	

3	MERGERS AND ACQUISITION	
1	Introduction to M&A, Objectives, Advantage and Dis-advantages	19 L
2	Types of M&A and Process of M&A	
3	Financial Modeling	
4	Business Valuation and Valuation Methods, Calculate and analyse valuation multiples	
4	PRIVATE EQUITY & PLACEMENT	
1	Private Equity: –Meaning, Objectives, functions. Advantages and Dis-advantages, Types of P.E Funds, P.E Strategies. P.E Trend (Preferably with a Case Study) and Regulations in India	19 L
2	Venture Capital:- Meaning, Objectives, Functions, Types and Process. Private equity v/s Venture Capital. Advantages and Dis-advantages Structure and Activities of V.C, (Preferably with a Case Study) Trend of VC in India and Sebi Regulations for VC in India	
3	Private Placements in Public Equity:- Meaning, Objectives, Functions, Advantages and Dis-advantages, Types. Private equity v/s Private Placement. Trend of PP and SEBI Regulations for PP in India	
4	Exit Mechanisms:- Exit strategies by Private Equity, Venture Capital and Private Placements in India with relevant Indian Case Study of each.	
References:	Textbook: <ul style="list-style-type: none"> • Investment Banking (Jacob Adolf-Friedrich) • Joshua Rosenbaum & Joshau Pearl; <i>Investment Banking- Valuation, Leveraged Buyouts, and Merger & Acquisition</i>, 2nd Edition, Wiley Publication. • PratapGiri. S; <i>Investment Banking- Concept, Analysis and Cases</i>, 3rd Edition, McGraw Hill Publication. 	

Evaluation Scheme

Evaluation scheme for Theory courses

I. Continuous Assessment (C.A.) - 40 Marks

Project/ assignment/ presentation/test

II. Semester End Examination (SEE)- 60 Marks

Course Code CBFM503	TECHNICAL ANALYSIS (Credits: 06 Lectures / Week :05)	
	<p>Objectives:</p> <p>This course is designed to offer the basic understanding of Technical Analysis. The applicability of Technical analysis from Investment Prospective, its advantage over Fundamental Analysis. The course will acquaint the students with different Charting techniques, indicators and Oscillators.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • Ability to apply technical analysis to different Asset Classes. • Ability to read and analyse- Bar, Line and Candle Stick Charts • Ability to analyse the Trend and make investment Decision based on the Chart analysis. 	
	THEORY	
1	Introduction to Technical Analysis	
1	Technical analysis, Basic assumptions, Strengths and Weakness;	
2	Chart types- Line, Bar, Candle Sticks	18 L
3	Candlestick Charts Analysis With One Two And Three Candles Like Hammer, Hanging Man, Shooting Star, Bearish And Bullish Harami	
3	Trend Analysis- Types of Trends, Trend Line	
2	Major Indicators and Oscillators	
1	Pattern Study - Support and resistance, Head and shoulders, Double top and double bottom, Triangles, Flags, Channels, Cup & Handle	19 L
2	Moving Averages- Simple & Exponential	
3	Indicators & Oscillators- MACD, Stochastic, RSI, Williams %R, MFI, Bollinger bands, Others	
3	Major Theories in TA	
1	Efficient Market Hypothesis, Gap Theory, Dow Theory and Eliot Wave Theory	19 L

4	Risk Management, Trading Psychology and Trading Strategies	19 L
1	Risk Management – Need, techniques, uses of stop loss, qualities of successful traders, golden rules of traders, do's and don'ts in trading,	
2	Rules to stop losing money, Choosing the right market to trade, Importance of discipline in trading;	
3	Trading, Risks associated with trading, Strategies for Trading, Momentum Trading Strategies. Roles Played by Trader- Speculator, Hedger, Arbitrager. Modern Trend in Trading Algo Trading, High Rythemic trading	
References:	<ul style="list-style-type: none"> • Technical Analysis of Stock Trend; Robert D Edwards, Vision Book • Technical Analysis Explained; Martin J Pring; McGraw Hill • Handbook of Technical Analysis, Darell R Jobman; Probus, • Technical Analysis of Stocks , options; William Eng, Probus Technical Analysis, Jack D Schwager, John Wiley& Sons 	

Evaluation Scheme

Evaluation scheme for Theory courses

- I. Continuous Assessment (C.A.) - 40 Marks
Project/ assignment/ presentation/test
- II. Semester End Examination (SEE)- 60 Marks

Course Code CBFM504	Security Analysis and Portfolio Management (Credits: 04 Lectures / Week :04)	
	Objectives:	
	<input type="checkbox"/> To nourish and nurture students' knowledge about investment, speculation and portfolio management.	
	<input type="checkbox"/> To enhance their knowledge about portfolio valuation techniques.	
	Outcomes:	
	<input type="checkbox"/> It would lead to value addition to the knowledge and portfolio management skills of students	
1.	Portfolio Management–	18 L
1.	Investment- Meaning, Characteristics, Objectives, Investment V/s Speculation, Investment V/s Gambling and Types of Investors.	
2.	Portfolio Management – Meaning, Evolution, Phases, Role of Portfolio Managers, Advantages of Portfolio Management.	
3.	Investment Environment in India and Factors Conducive for Investment in India. Portfolio Analysis – Meaning and its Components, Calculation of Expected Return and Risk, Calculation of Covariance, Risk – Return Trade off, Beta Calculation.	
4.	Portfolio Selection – Meaning, Feasible Set of Portfolios, Efficient Set of Portfolios, Selection of Optimal Portfolio, Markowitz Model, Limitations of Markowitz Model, Measuring Security Return and Portfolio Return and Risk under Single Index Model and Multi Index Model.	
5.	Portfolio Management – Valuation of portfolio with weighted avg. method	
6.	Portfolio Revision – Meaning, Need, Constraints and Strategies.	
7.	Portfolio Evaluation – Meaning, Need, Measuring Returns	
8.	(Sharpe, Treynor and Jensen Ratios) and Decomposition of Performance.	
9.	Bond Valuation – Meaning, Measuring Bond Returns, Yield to Maturity, Yield to Call and Bond Pricing. Bond Pricing Theorems, Bond Risks and Bond Duration.	

2.	Fundamental Analysis	15 L
1.	Economy Analysis – Meaning, Framework, Economic Analysis, Forecasting, Barometric or Indicator Approach, Econometric Model Building and Opportunistic Model Building.	
2.	Company Analysis – Financial Statements, Analysis of Financial Statements, (Practical questions on Debt Equity Ratios, Total Debt Ratio, Proprietary ratios, interest coverage ratio, Profitability ratios related to sales, investment and equity shares Efficiency or Activity Ratios) and Assessment of Risk (Leverages).	
3.	Fundamental Analysis V/s Technical Analysis.	
3.	ALTERNATIVE INVESTMENT FUND IN INDIA	13 L
1.	CATEGORY I- VC Funds, Infra Funds and Angle Funds	
2.	CATEGORY II- PE Funds, Debt Funds, FOF	
3.	CATEGORY III- Hedge Funds, PIPE	
4.	SEBI Regulation for AIF's	
4.	Efficient Market Theory & CAPM	14 L
1.	Market Theories-	
	CAPM – Fundamental Notions of Portfolio Theory, Assumption of CAPM, Efficient Frontier with Riskless Lending and Borrowing, Capital Market Line, Security Market Line and Pricing of Securities with CAPM.	
	Arbitrage Pricing Theory (APT) – The Return Generating Model, Factors Affecting Stock Return, Expected Return on Stock, APT V/s CAPM	
References	<ul style="list-style-type: none"> •Prasanna Chandra; <i>Investment Analysis and Portfolio Management</i>, 5th Edition, McGraw Hill Publication •V.A. Avdhani, <i>Security Analysis and Portfolio Management</i>, 12th Reviewed Edition, Himalaya Publication •M. .Raghunathan and R. Madhumathi; <i>Security Analysis and Portfolio Management</i>, 2nd Edition Pearson Publication 	

Evaluation Scheme

Evaluation scheme for Theory courses

- I. Continuous Assessment (C.A.) - 40 Marks**
Project/ assignment/ presentation/test
- II. Semester End Examination (SEE)- 60 Marks**



Course Code CBFM505	Elective Course Marketing Management (Credits: 04 Lectures / Week :04)	
	<p>Objectives:</p> <p>This course is designed to offer the fundamental aspects, ideas, concepts and examples of how marketing is understood and practiced to the students. The course will focus on establishing a strong understanding of the role played by the customer in the larger idea of business and how a marketer could spearhead business decisions by providing customer insights to the top management or decision makers. The course will discuss at length the philosophy behind marketing as a business orientation in comparison with other orientations such as production, product and sales.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • Define marketing and provide his/her own understanding (meaning) of marketing. • Have clarity on the philosophy of marketing and how it affects overall business environment • Know how segmentation, targeting and positioning strategies are formulated and implemented. 	
	THEORY	60 lectures
1	Introduction to Basic Marketing Concepts	20 L
	<p><u>Introduction to Marketing:</u> Importance and Scope of Marketing; Core marketing concepts; Company Orientations; Marketing Realities; Integrated, Internal and Performance Marketing; Marketing Management Tasks</p> <p><u>Value Philosophy in Marketing:</u> Understanding the value philosophy, Meaning of value; Value Creation and Delivery; Value Delivery Process; Value Delivery and Upstream Marketing; Value Innovation; Co-creation of value</p> <p><u>Analysing the Marketing Environment:</u> Components of Environment; Macro Environment; Environment specific to the firm; Global Environment – global economy, global demographics, consumer environment, technology environment, competition environment.</p>	

2	Market Segmentation, Targeting, Differentiation & Positioning & Marketing Mix	10 L
	<p>Levels of Segmentation; Bases for Segmenting Consumer and Business Markets; Market Targeting Developing and Communicating a Positioning Strategy & Differentiation Strategies <u>Product and Brand Strategy</u> Product Levels; Classifying products; Product Range, Line, Mix; Product Lifecycles; New Product Development, New Service Development; Stages of Product Development; Adoption Process; Branding <u>Pricing to Capture Value</u> Pricing Environment; Consumer Psychology & Pricing; Pricing Philosophy; Setting Price; Price Adaptations; Initiating Price Changes; Responding to Competitors' Price Changes <u>Developing Effective Distribution, Logistics and Retailing</u> Marketing channels and Value Networks; The role of Marketing channels; Channel Design Decisions; Channel Management Decisions; Channel Integration and Systems; Conflict; Cooperation and Competition; E-commerce, Retailing, Private Labels - <u>Promoting Value</u> Marketing Communications; Communication Theory; Personal Influencers; Marketing Communications Mix; WOM, IMC, Cultural aspects of Marketing Communication; Advertising, Sales Promotion, Personal Selling, Direct Marketing; Public Relations; Account Management; Mix Selection; Media</p>	
3	Marketing Trends & Marketing Analytics	20 L
	<p>Experiential Marketing, Ambush marketing Buzz marketing, Viral Marketing any other latest trends. Identifying Marketing Information Needs – Customer databases and Developing a Marketing Information System- Data mining, Marketing Research, Analyzing and Using Marketing Information for Forecasting, On-line Research, Impact of Big Data</p>	
4	Digital Media Marketing	10 L
	<p>Strategic Planning and Social Media Marketing Social Media Campaigns: The Strategic Planning Process Develop a Planning Structure in the Organisation The infrastructure of Social Media Marketing</p>	

	<p>Textbooks:</p> <ol style="list-style-type: none">1. Ramaswamy, V.S. & Namakumari. (2013); <i>Marketing Management</i>. 5th Ed, McGraw Hill, New Delhi2. Baines, P., Fill, C., Page, K., & Sinha, P. K. (2013); <i>Marketing</i>. Asian edition, Oxford University Press, New Delhi3. Kotler, P., Keller, K. L., Koshy, A. & Jha, M. (2009); <i>Marketing Management – A South Asian Perspective</i>. 13th Ed, Pearson, New Delhi4. Tracy Tuten, Michael Solomon-(2017); <i>Social Media Marketing</i>- 2nd Edition, Pearson, New Delhi.5. Damian Ryan and Calvin Jones,(2018); <i>Understanding Digital Marketing</i>, 4th Edition.
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Evaluation Scheme

Evaluation scheme for Theory courses

- I.** Continuous Assessment (C.A.) - 40 Marks
Project/ assignment/ presentation
- II.** Semester End Examination (SEE)- 60 Marks

Course Code CBFM505	Elective Course Human Resource Management in Financial Services (Credits: 04 Lectures / Week :04)	
	<p>Objectives: This course is an introduction to the human resources function and related elements and activities. The course outlines the roles and functions of members of the human resources department, as well as educating others outside human resources, in how their roles include human resources-related activities. The student will learn about the evolution in human resources management as we know it today.</p> <p>Outcomes:</p> <ul style="list-style-type: none"> • Integrate the understanding of the human resources management framework with the management best practices, tools and models. • Plan, keeping in mind the changing roles of HR Managers while developing strategies, initiatives and programs in their organizations. 	
	THEORY	60 lectures
1	Introduction to HRM	10 L
	Plan, keeping in mind the changing roles of HR Managers while developing strategies, initiatives and programs in their organizations. Definition, Objectives scope and importance, Methods of forecasting, Job analysis – objectives, process and methods, job description, job specification, job evaluation and job design	
2	Functions of HRM	10 L
	<p>Recruitment, Selection, Socialization and Retention: Meaning and objectives, sources and constraints of recruitment, Selection process, Methods of selection, reliability and validity of test, meaning and importance of socialization, methods of socialization and retention of employees Ethical dilemmas in recruitment and selections, promotions and transfers. Employee privacy and confidentiality in testing.</p> <p>Human Resource Planning, Job Analysis and Design: Definition, Objectives scope and importance, Methods of forecasting, Job analysis – objectives, process and methods, job description, job specification, job evaluation and job design</p>	

3	Human Resource Development	20 L
	<p>HRD: Meaning, Objectives and scope of human resource development in India. Methods for training workers & managers, problems & challenges of training and development in India, Evaluation of training effectiveness. Career development.</p> <p>Performance Management & Appraisal: Meaning, Objectives, scope & purpose, Appraisal process, methods for evaluating performance, problems & challenges in appraisal, feedback & coaching, career planning & succession planning. Fairness and equity in performance appraisals.</p>	
4	Compensation Management & Emerging (Recent) Trends in Human Resource Management:	20 L
	<p>Objectives - Methods of Job evaluation – Factors determining compensation and pay rates – Current trends in compensation- Pricing managerial and professional jobs. Minimum wages Act, Types of pay structures.</p> <p>Definition and objectives, theory of wages, methods for computing value & worth of jobs, components of worker compensation, components of executive compensation. Problems & challenges in promoting equity in compensation & reward systems.</p> <p>Talent Management - PCMM- Entrepreneurship (Intrapreneurship), QWL, E-HRM, GHRM, QHRM.</p>	
	<p>Textbooks:</p> <p>1. Dessler, G & Varkey, B. (2013). <i>Human resource management</i>. Pearson</p> <p>2. Jyoti, P & Venkatesh, D.N. (2012). <i>Human resource management</i>. India: Oxford University Press.</p> <p>3. Snell, S. Bohlander, G. & Vohra, V. (2012). <i>Human resources management: A South Asian perspective</i>. India: Cengage Learning</p>	

Evaluation Scheme

Evaluation scheme for Theory courses

- I. Continuous Assessment (C.A.) - 40 Marks
 - Project/ assignment/ presentation
- II. Semester End Examination (SEE)- 60 Marks

Course Code CBFM505	Elective Course DIRECT TAXATION (Credits: 04 Lectures / Week :04)	
	<p>Objectives:</p> <ul style="list-style-type: none"> To help students gain knowledge about basic tax concepts and also to help them to learn about computation of income. To enhance their knowledge about various deductions and incomes exempt from tax. <p>Outcomes:</p> <ul style="list-style-type: none"> It would lead to value addition to the knowledge and improve their taxation skills. 	
	THEORY	(60 lectures)
Sub Unit1	Definitions and Residential Status	15 L
1.	Basic Terms (Sec. 2,3,4) Assesse, Assessment	
2.	Assessment Year, Annual Value, Business, Capital Assets, Income, Previous Year, Person, Transfer. Determination of Residential Status of Individual	
3.	Scope of Total Income (Sec 5) Exclusions from total income Sec 10 (Exclusions relating to specific heads to be covered with relevant heads of income)	
Sub Unit2	Heads of Income – I	15 L
1.	Salary (Sec.15-17) Income from House Property (Sec. 22-27)	
2.	Profit & Gain from Business and Profession(Sec. 28, 30,31,32, 35, 35D,36,37, 40, 40A and 43B) Capital Gain (Sec. 45, 48, 49, 50 and 54) Income from other sources (Sec.56- 59)	

Sub Unit3	Deductions under Chapter VI A	15 L
1.	Deductions from Total Income S. 80C, 80CCC, 80D, 80DD, 80E, 80U, 80TTA 4 Computation of Taxable Income of Individual-	
Sub Unit4	Computation of Taxable Income of Individuals	15 L
1.	Computation of Total Income and Taxable Income of Individuals Filling of returns	
	<p>I. Continuous Assessment (C.A.) - 40 Marks</p> <p>Project/ assignment/ presentation/test</p> <p>II Semester End Examination (SEE)- 60 Marks</p>	
References:	<ul style="list-style-type: none"> • Students Guide to Income Tax Dr Vinod Singhania- Taxmann • Students Handbook on Taxation- T N Manoharan- Snow White • Income Tax Act and Rules 	

Evaluation Scheme

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- I. Continuous Assessment (C.A.) - 40 Marks**
Project/ assignment/ presentation
- II. Semester End Examination (SEE)- 60 Marks**