

GENERIC ELECTIVE (GE) COURSES

GE1: FUNDAMENTALS OF FINANCIAL MANAGEMENT

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/ Practice		
GE1: Fundamentals of Financial Management	4	3	1	NIL	Class XII	NIL

Course Objectives:

- To provide an understanding of the essential elements of the financial environment in which the business firm operates.
- To acquaint students with the techniques of financial management and their applications for business decision making.

Learning Outcome:

Upon completion of the course a learner shall be competent to:

- Understand the concept of time value of money, process of capital budgeting, concepts of cost of capital and other aspects of financing, dividend and working capital decisions
- Understand the process of making investments, raising finance for investment in fixed and current assets and distribution of surplus from business operations.
- Apply the techniques of time value of money in real life situations, techniques of capital budgeting in investment decisions, process to calculate the cost of capital and share price based on dividends along with the estimation of working capital and its components.
- Evaluate the investment opportunities available, the various financing mix that can be used to derive the maximum value from the investment opportunities, the optimal dividend payout and monitor the current asset requirements.
- Analyse the evaluation outcomes to choose the best investment opportunity at the lowest cost of financing and adopt the optimal dividend pay-out along with the optimal level of liquidity through the working capital route to derive maximum wealth.

Create a portfolio of investments at the best possible financing and dividend mix with the most appropriate working capital composition that will create maximum wealth under the given constraints.

Course Contents:

Unit 1**(9 Hours)**

Nature of Financial Management: Finance and related disciplines; Scope of Financial Management; Functions of finance – Finance Decision, Investment Decision, Dividend Decision; Objectives of Financial Management; Organisation of finance function; Concept of Time Value of Money – present value, future value, annuity.

Unit 2**(16 Hours)**

Strategic Investment Decisions: Capital Budgeting -; Nature and meaning of capital budgeting; Principles and Process; Estimation of relevant cash flows and terminal value; Evaluation techniques– Payback period, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Net Terminal Value, Profitability Index Method.

Cost of Capital: Meaning and concept, Measurement of cost of capital – Cost of debt, Cost of Equity Share; Cost of Preference Share; Cost of Retained Earning; Computation of over-all cost of capital based on Historical and Market weights (WACC).

Unit 3**(12 Hours)**

Strategic Financing Decisions- Capital Structure, Theories and Value of the firm – Net Income approach, Net Operating Income approach, Traditional approach, Modigliani Miller (MM) model. Leverage analysis and EBIT-EPS Analysis: Concept of leverage, Types of leverage: Operating leverage, Financial leverage, Combined leverage; EBIT-EPS Analysis. Guidelines for capital structure planning, Link between capital structure and capital budgeting. Dividend Decisions: Factors determining dividend policy, Theories of dividend- Gordon model, Walter model, MM Hypothesis. Dividend policies in practice.

Unit 4**(8 Hours)**

Working Capital Management: Determination of Working Capital. Determining financing mix of working capital. Receivables Management – Objectives; Credit Policy, Cash Discount, Debtors Outstanding and Ageing Analysis; Costs – Collection Cost, Capital Cost, Default Cost, Delinquency Cost. Management of Cash (Theory only) – Need for Cash, Cash Management Techniques (Lock box, Concentration Banking). Inventory Management (Theory only) – ABC Analysis; Minimum Level; Maximum Level; Reorder Level; Safety Stock; EOQ (Basic Model).

Essential Readings:

1. Berk, J., & DeMarzo, P. (n.d.). Corporate Finance (5th ed.). Pearson - Prentice Hall.
2. Horne, J. C. V., & Wachowicz, J. M. (n.d.). Fundamentals of Financial Management (13th ed.). FT Prentice Hall, Pearson Education.
3. Pandey, I. M. (n.d.). Financial Management. Pearson.

Additional Readings:

1. Khan, M. Y., & Jain, P. K. (n.d.). Financial Management Text, Problems, and Cases. Tata McGraw Hill Publishing Co. Ltd.
2. Brealey, R. R., Myers, S., Allen, F., & Mohanty, P. (n.d.). Principles of Corporate Finance. New Delhi: Tata Mc-Graw Hill.

Teaching – Learning Process:

The teaching-learning process for this paper would include classroom lectures and tutorials; Case study discussions; class presentations; Workshops.

Examination scheme and mode:

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

Key Words

Finance, Capital Budgeting, Wealth Maximisation, Cost of Capital, Dividends, Leverage, Working Capital Management.

GE 3: FUNDAMENTALS OF STOCK TRADING

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/ Practice		
GE 3: FUNDAMENTALS OF STOCK TRADING	4	3	1	NIL	Class XII	NIL

Course Objectives:

The course will help the learner to:

- Understand the fundamentals of investment, investment environment, and the principles of sound investment.
- Gain knowledge of the Indian securities market, including primary and secondary markets, IPOs, stock exchanges, and stock indices.
- Learn about online security trading, including trading mechanisms, settlement processes, and different types of orders.
- Understand mutual funds, their structure, advantages, and limitations, as well as different types of schemes and plans.
- Gain knowledge of how to evaluate investment alternatives, including criteria for evaluating mutual funds, and performance evaluation of mutual funds.

Learning Outcomes:

The course will help the learner to:

- Understand the fundamentals of investment, investment environment and principles of sound investment, and evaluate different investment alternatives based on criteria such as risk and return.
- Analyze the Indian securities market, differentiate between capital and money markets, primary and secondary markets, and comprehend the role of market participants such as issuers, investors, and intermediaries.
- Explain the trading mechanism on exchanges, online trading mechanisms, and the types of orders and conditions associated with it.
- Evaluate mutual fund schemes, their structures, advantages, and limitations, and comprehend the factors affecting the choice of mutual funds.

- Analyze the performance evaluation of mutual funds and comprehend the ranking methodology used by CRISIL for mutual funds.

Course Contents

Unit 1: Basics of Investment & Investment Environment (9 Hours)

Fundamentals of Investment, Features of Investment, Investment Environment. Principles of sound Investment. The Investment Decision Process. Modes of Investment – Direct Investing and Indirect Investing, Approaches to Investing – Active Investing and Passive Investing. Risk Return Trade Off. Types of Securities – Equity Shares, Bonds and Debentures, and Government Securities. Alternative Investments (Briefly) – Mutual Funds, Derivatives, Unit Linked Insurance Policy (ULIP), Exchange-traded funds (ETFs), Collective Investment Schemes (CIS), Real Estate Investment Trusts (REITs). Criteria for Evaluation of Investment Alternatives.

Unit 2: Indian Securities Market (12 Hours)

Securities Market – Capital Market and Money Market, Difference between Capital and Money Market, Primary and Secondary Market, Difference between Primary and Secondary Market. Over the Counter (OTC) and Exchange Traded market. Modes of offering Equity Shares – Initial Public Offering (IPO), Follow-on Public Offering (FPO), Difference between IPO and FPO, Difference between Offer for sale (OFS) and Public offer (IPO/FPO). Methods of IPO Pricing – Fixed Price Method and Book Building Method, The Book Building Process, Fixed Price method v/s Book building Method. Market Participants – Issuer of Securities, Investors, and Intermediaries. Role of Stock Exchange. Stock Exchanges in India. Securities (Stock) Indices – Broad Market Indices, Sectoral Indices and Thematic Indices.

Unit 3: Online Security Trading (12 Hours)

Trading Mechanism on Exchanges, Trading and Settlement at NSE – National Securities Clearing Corporation Limited (NSCCL), Clearing Mechanism, Clearing & Settlement (Equities).

Online Trading – Introduction, Online Trading Mechanism. Online Real Time Price Quotations – Bid Price, Ask Price, Bid-Ask Spread, Tick Size, LTP, ATP. Circuit Breakers – Upper Circuit, Lower Circuit, NSE rules regarding Circuit Breaks. Price Bands, Rules regarding Price Bands on NSE. Electronic Order Book. Types of Orders – Market Order, Limit Order, Stop Loss Order, Stop Loss (Limit) Order, Stop Loss (Market) Order, After Market Order (AMO). Order Conditions – Price related conditions, Time related conditions, Quantity related conditions. Placing an Order, View/Modify/Cancel an Order.

Unit 4: Investing in Mutual Funds (12 Hours)

Concept of Mutual Funds, Mutual Funds are an Indirect Mode of Investment, Evolution of Mutual Funds in India, Structure of Mutual Funds (Sponsor, Board of Trustees, AMC and Custodian). Advantages of Investing in Mutual Funds, Limitations of Investing in Mutual Funds. Types of Mutual Fund Schemes – Open ended, Close ended, and Interval funds;

Domestic Funds and Off-Shore funds; Growth funds, Income funds and Balanced funds; Equity Fund schemes, Debt fund schemes, Gilt Funds, Money Market Funds, Tax Saving or Equity Linked Savings Scheme (ELSS), Index schemes, Sectoral Funds, Ethical Funds, Load and No-Load Fund, Fund of Funds, Systematic Investment Plans (SIP), Systematic Withdrawal Plans (SWP), Systematic Transfer Plans (STP), and Exchange Traded Funds. Net Asset Value, Cost incurred and Return from Mutual funds, Types of Loads. Performance Evaluation of Mutual Funds. Factors affecting choice of Mutual funds. Mutual funds in India. CRISIL and their Rankings for mutual funds – Ranking Methodology and Usage of Mutual Fund Rankings.

Essential Readings:

- Bhalla, V.K. (2018). Investment Management: Security Analysis and Portfolio Management. S. Chand Publishing.
- Varshney, R.L., & Bhalla, V.K. (2017). Indian Financial System: Theory and Practice. S. Chand Publishing.
- Krishnan, R. (2016). Mutual Fund Industry in India: A Study of Investment Behaviour. Springer.
- Joshi, P.C. (2017). Online Trading: How to Trade Online for Beginners. Createspace Independent Publishing Platform.

Additional Readings:

- Bodie, Z., Kane, A., & Marcus, A. J. (2018). Investments. McGraw-Hill Education.
- Fabozzi, F. J., Neave, E. H., & Zhou, G. (2019). Investments: analysis and behavior. Cengage Learning.
- Kapoor, J. R., Dlabay, L. R., & Hughes, R. J. (2017). Personal finance. McGraw-Hill Education

Teaching Learning Process:

Class room lecture, Numerical Problem solving, Case study discussion, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play.

Examination scheme and mode:

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

Key Words

Investments, Indian Securities Market, Initial Public Offer (IPO), Online Security Trading, and Investing in Mutual Funds.

GE5: ESSENTIALS OF FINANCIAL INVESTMENTS

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/ Practice		
GE5: ESSENTIALS OF FINANCIAL INVESTMENTS	4	3	1	NIL	Class XII	NIL

Course Objectives:

- To familiarize students with the essential concepts and fundamentals of financial investments .
- To enable students to understand and make informed choice about the various available financial investment alternatives.

Learning Outcomes:

On successful completion of his course, the students will be able to:

- Understand the fundamentals of financial investments and the investment decision process.
- Able to compute various measures of risk and return, and understand their role for evaluating investments.
- Understand and carry out security analysis using different approaches.
- Understand basic approaches to valuation of securities and carry out portfolio analysis.

Course Contents

Unit 1: Investments – An Overview (9 Hours)

Concept of Investment, Financial Investment Vs. Real Investment, Investment Vs Speculation, Objectives or Features of Investment, Risk Return Trade Off, Investment Environment – Overview of Securities Market and Different Types of Financial Investment. Investment Decision Process, Direct Investing Vs Indirect Investing, Approaches to Investing – Active Vs Passive. Diversification, Hedging and Arbitrage.

Unit 2: Risk – Return Analysis (12 Hours)

Concepts of Return and Risk, Types of Return - their Calculation & Utility: Absolute Return, Average Return, Expected Return, Portfolio Return, Holding Period Return, Effective Annualized Return, Risk-Adjusted Return. Causes (or Sources) and Types of Risk – Systematic and Unsystematic Risk, Components of Systematic and Unsystematic Risk, Calculation of

Total, Systematic and Unsystematic Risk. Impact of Taxes and Inflation on Investment – Computation of Post Tax and Real Returns.

Unit 3: Security Analysis (12 Hours)

Approaches to Security Analysis – Fundamental Analysis, Technical Analysis, and Efficient Market Hypothesis (EMH). Fundamental Analysis – EIC Framework, Economic Analysis, Industry Analysis, and Company Analysis. Technical Analysis – Basic Tenets of Technical Analysis, Tool of Technical Analysis – Charts, and Technical Indicators, Limitations of Technical Analysis. Difference between Fundamental Analysis and Technical Analysis. Efficient Market Theory (EMH) – Concept, Forms of Market Efficiency, Weak Form Hypothesis, Semi Strong Form, and Strong Form of Market Efficiency. Implications of EMH.

Unit 4: Fundamentals of Valuation and Portfolio Analysis (12 Hours)

Valuation of Equity Shares – Peculiar features of Equity Shares, Dividend Discount Model, Earning Multiplier or Price-Earnings (P/E) Model, and Capital Asset Pricing Model (CAPM). Valuation of Fixed Income Securities – Bond Fundamentals, Types of Bonds, Bond Valuation. Portfolio Analysis – Portfolio Management Process, Portfolio Analysis – Markowitz Model, Portfolio Risk, Portfolio Return.

Essential Readings:

1. Tripathi, V. (n.d.). Security Analysis and Portfolio Management. Taxmann Publications.
2. Chandra, P. (n.d.). Investment Analysis and Portfolio Management. McGraw Hill Education.

Additional Readings:

1. Rustagi, R. P. (n.d.). Investment Management. Sultan Chand Publications.
2. Reilly, F. K., & Brown, K. C. (n.d.). Analysis of Investments and Management of Portfolios. Cengage India Pvt. Ltd.

Teaching Learning Process:

Class room lecture, Numerical Problem solving, Case study discussion, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play.

Examination scheme and mode:

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

Key Words: Financial Investment, Risk and Return, Fundamental Analysis, Technical Analysis, Efficient Market Hypothesis, Portfolio Analysis, Valuation of Securities.

GE7: EMERGING BANKING AND FINANCIAL SERVICES

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/ Practice		
GE7: EMERGING BANKING AND FINANCIAL SERVICES	4	3	1	NIL	Class XII	NIL

Course Objective:

- To familiarize students with banking reforms in the last decade, concept of neo banks, rising issue of non-performing asset and its impact on day-to-day functioning.
- To make students learn about financial services such as Leasing, Hire Purchase, Credit Rating, Securitization and Venture Capital Financing.

Learning Outcomes:

On successful completion of his course, the students will be able to:

- Understand the Indian banking system and latest developments in this sector.
- Analyse the implications of non-performing assets in the banking sector on the economy.
- Evaluate the implications of mergers and acquisitions in the banking system and appreciate the need for the same.
- Understanding various financial services and using the same in personal banking and non-banking activities.

Course Contents:

Unit 1 (12 Hours) An overview of the Indian Banking system; Major Banking Reforms in the last decade: Payment banks, Monetary Policy Committee, MCLR Based Lending, Innovative Remittance Services; Issues in financial reforms and restructuring; Future agenda of reforms: Assessing Non-Performing Assets in Indian Banking, Previous methodologies for recovery, Impact of Gross NPA on a bank's bottom line – burning need for bad banks, Functioning of Bad Banks, Government backing for bad banks – National Asset Reconstruction Company Ltd. (NARCL).

Unit 2 (12

Hours) Introduction to neo banks, Functions of neo banks, Operating Model of neo banks, Regulatory requirements for setting up and running neo banks, Emerging need for neo banks, neo banks vs traditional banks. Merger & Acquisition: Introduction, Benefit of mergers, Synergies accruing out

to mergers, Regulatory mechanisms surrounding M&A in banking, Case-studies of recent banking mergers and related outcomes.

Unit 3 (12 Hours) Leasing and Hire Purchase: Concepts of leasing, types of leasing – financial & operating lease, direct lease and sales & leaseback, advantages and limitations of leasing, Lessee's rental determination; Finance lease evaluation problems Lessee's angle (PV and IRR methods) and Lessor's perspective, Hire Purchase interest & Instalment, difference between Hire Purchase & Leasing, Choice criteria between Leasing and Hire Purchase, mathematics of HP.

Unit 4 (9 Hours) Venture Capital: Concept, history and evolution of VC, the venture investment process, various steps in venture financing, incubation financing. Credit Ratings: Introduction, types of credit rating, advantages and disadvantages of credit ratings, Credit rating agencies and their methodology, International credit rating practices. Securitization: Concept and Process, Credit Enhancement part to a Securitization Transaction, Instruments of Securitization, Types of Securities, Securitization in India.

Essential Readings:

1. Pathak, B. (2018). *Indian Financial System*. Pearson Publication. (5th ed).
2. Khan, M. Y. (2017). *Financial services*. McGraw Hill Education. (6th ed).
3. Machiraju, H. R. (2002). *Indian Financial System*. Vikas Publication House. (5th ed).

Additional Readings:

1. Verma, J. (1996). *Bharat's manual of merchant banking: Concept, practices and procedures with SEBI clarifications, guidelines, rules and regulations*. Bharat Law House.
2. Sriram K. *Hand Book of Leasing, Hire Purchase & Factoring*. Institute of Chartered Financial Analysts of India.
3. Wright M., Watkins T. & Ennew C. (2016). *Marketing of Financial Services*. Routledge

Teaching Learning Process:

Classroom lecture, Numerical Problem solving, Case study discussion, Class presentation on the assigned topic by students individually or in group, Workshop, Tutorials, Role play.

Examination scheme and mode:

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

Key Words

Banking, Merger and Acquisition, Neobanks, NPA, Leasing, Hire Purchase, Credit Ratings, Securitization, Venture Capital.

GE9: ECONOMIC LEGISLATION

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/ Practice		
GE9: ECONOMIC LEGISLATION	4	3	1	NIL	Class XII	NIL

Course Objective(s):

- To familiarise students with various legislations in the areas of foreign trade, competition, bankruptcy and economic offences.
- To provide an overview of detailed provisions of various economic legislation.
- To enable students to understand the legal implications of unlawful practices and legal recourse available.

Learning Outcomes:

On successful completion of this course, the students will be able to:

- Understand the legal framework relating to foreign exchange, competition, insolvency and fugitive economic offenders.
- Recognise the legal issues in any business transaction and understand lawful way of conduct of economic activities.
- Analyse the legal implications of any economic decision.
- Evaluate legal remedies available in case of bankruptcy or any wrongdoing.

Course Contents:

Unit 1: Competition Act and Fugitive Economic Offenders Act (15 Hours)

The Competition Act, 2002: Introduction, Prohibition of certain agreements, abuse of dominant position and regulation of combinations, Competition Commission of India, Duties, Powers and Functions of Commission, Penalties, Appellate Tribunal.

The Fugitive Economic Offenders Act: Scope and applicability of Act, Confiscation of property, Powers of Directors, Power of Survey, Search and Seizure, notice, procedure for hearing application, Declaration of Fugitive Economic Offender, Power to disallow civil claims, Management of properties confiscated under this Act, Rules of evidence, Appeals.

Unit 2: The Insolvency and Bankruptcy Code (9 Hours)

The Insolvency and Bankruptcy Code, 2016: Introduction of Insolvency and bankruptcy code, Corporate Insolvency Resolution Process, Liquidation Process, Fast Track Insolvency Resolution for Corporate Persons, Voluntary Liquidation of Corporate Persons, Adjudicating

Authority for Corporate Persons, Offences and Penalties, Insolvency resolution and bankruptcy for individuals and partnership firms, Regulation of Insolvency professionals, agencies and information utilities.

Unit 3: The Prevention of Money Laundering Act (12 Hours)

The prevention of money laundering Act, 2002: Introduction and definitions, Punishment for the offence of Money Laundering, Attachment, Adjudication and Confiscation, Obligation of Banking Companies, Financial Institutions and Intermediaries, Summons, Searches And Seizures, Appellate Tribunal and Special Courts, Recovery of fine or penalty.

Unit 4: The Foreign Exchange Management Act (9 Hours)

The Foreign Exchange Management Act, 1999: Introduction of FEMA, Difference between FERA and FEMA, Application and Commencement of FEMA, Regulation and Management of Foreign Exchange, Authorised Person, Contraventions and Penalties, Compounding of Offences, Adjudication and Appeal, Directorate of Enforcement.

Essential Readings:

1. Maheshwari & Maheshwari. *Principle of Business Law*. Himalaya Publishing House
2. Aggarwal R. (2014). *Mercantile & Commercial Law*. Taxmann Publications
3. Kuchhal M. & Kuchhal V. (2018). *Mercantile Law*. Vikas Publishing House (P) Ltd.
4. Kapoor N. D. (2018). *Elements of Mercantile Law*. Sultan Chand Publications

Teaching – Learning Process:

Lecture, Discussion, Power Point Presentations. Course contents shall be discussed in the light of relevant case laws.

Examination scheme and mode:

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.

Key Words

CCI, Prevention of Money Laundering, Insolvency and Bankruptcy Code, FEMA, Fugitive Economic Offenders Act.