Annexure-1			M.COM COURSE STRUCTURE (CBCS) (UNDER DUAL SPECIALISATION)					
			wef from 2015-16 Admitted Batch	Intrl	Extrl	Total	Hrs/	Crdits
SEMESTER-I							Week	
Core Paper								
1			Management Theory & Practice	20	80	100	4	4
2			Business Environment (India & International)	20	80	100	4	4
3			Advanced Management Accounting	20	80	100	4	4
4			Business Economics	20	80	100	4	4
5			Business Communication	20	80	100	4	4
6			Soft Skills (Business & Spoken English)	20	80	100	4	4
SEMESTER-II								
Core Paper								
1			E- Business	20	80	100	4	4
2			Financial Management	20	80	100	4	4
3			Human Resource Management	20	80	100	4	4
4			Marketing Management	20	80	100	4	4
ELLECTIVE Choose any Two								
1			Quantitative Techniques for Business Decision	20	80	100	4	4
2			Soft Skills (Personality Development & GD)	20	80	100	4	4
3			Entrepreneurship Development	20	80	100	4	4
4			Corporate Governance	20	80	100	4	4
SEMESTER-III								
Core Paper								
1			Insurance Products and Management	20	80	100	4	4
ELECTIVE: ACCOUNTING Choose any Two								
1			Corporate Accounting	20	80	100	4	4
2			International Accounting	20	80	100	4	4
3			Total Cost Management	20	80	100	4	4
4			Management and Cost Audit	20	80	100	4	4
ELECTIVE: FINANCE Choose any Two								
1			Strategic Financial Management	20	80	100	4	4
2			Financial Markets and Services	20	80	100	4	4
3			Management of Mutual Funds	20	80	100	4	4
4			Financing Foreign Trade	20	80	100	4	4
ELECTIVE: TAXATION Choose any Two								
1			Direct Taxes	20	80	100	4	4
2			Indirect Taxes	20	80	100	4	4
3			Customs Act	20	80	100	4	4
4			Public Finance	20	80	100	4	4
ELECTIVE: BANKING Choose any Two								
1			Advanced Banking	20	80	100	4	4
2			Bank Financial Management	20	80	100	4	4
3			NBFCs	20	80	100	4	4
4			Rural Banking	20	80	100	4	4

SEMESTER-IV								
Core Paper								
1			Computer Applications in Accounting	20	80	100	4	4
Audit Paper								
			Ethics and Moral Values					
ELECTIVE: ACCOUNTING Choose any Two								
1			Strategic Cost Management	20	80	100	4	4
2			Management Control Systems	20	80	100	4	4
3			Financial Statement Analysis	20	80	100	4	4
4			Accounting for Public Utilities	20	80	100	4	4
ELECTIVE: FINANCE Choose any Two								
1			Security Analysis and Portfolio Management	20	80	100	4	4
2			Financial Derivatives	20	80	100	4	4
3			Treasury Management	20	80	100	4	4
4			International Financial Management	20	80	100	4	4
ELECTIVE: TAXATION Choose any Two								
1			Vat and Service Tax	20	80	100	4	4
2			Tax Planning Management	20	80	100	4	4
3			Excise Duty	20	80	100	4	4
4			Fiscal Policy	20	80	100	4	4
ELECTIVE: BANKING Choose any Two								
1			Financial Institutions	20	80	100	4	4
2			Banking Technology	20	80	100	4	4
3			International Banking	20	80	100	4	4
4			Central Banking	20	80	100	4	4
			Project Report			100		6
			Comprehensive Viva Voce			100		4
						2400		

M.COM. FIRST SEMESTER (w.e.f. 2015 – 16 Admitted Batch)

CP 1: MANAGEMENT THEORY AND PRACTICE

Objectives: To familiarise the students with basic management concepts and the process of organisation.

Unit – I: Introduction: Concept of Management: Definition, Nature, Purpose, Scope and Significance – Evolution of Management Thought – Approaches to Management – Process of Management – External Environment Functions of Management.

Unit – II: Planning: Types of Plans – Objectives, Management by Objectives, Planning Premises Decision Making: Decision Making Process – Decision Tree Analysis – Linear Programming, Game Theory.

Unit – III: Organisation: Principles of Organization: Formal and Informal Organisation – Span of Control – Delegation of Authority – Centralisation and Decentralization – Line and Staff Conflict and Cooperation. Staffing Process The nature and Purpose of Staffing – Executive Development Programme (EDPs).

Unit – IV: Directing: Elements of Directing Communication – Importance, Process, Media, Barriers to Communication. Effective Communication. Motivation – Leadership – Concept, Styles, Theories – Managerial Grid: Likerts Four Systems of Leadership.

Unit – V: Process of Control, Techniques of control, PERT and CPM.

Suggested Books:

1. James A. F. Stoner, R. Edward Freeman and Daniel R. Gilbirth Jr. – Management, Prentice Hall of India.

2. Heinz Weihrich and Harold Koontz, Essentials of Management – Tata McGraw Hill International.

3. Stephen Robbins and Mary Coulter, Management, Prentice Hall of India.

4. Bajaj: Management Processing and Organization, Excel Publications.

5. Tripathy and Reddy – Principles of Management – Tata McGraw Hill.

6. John F. Wilson – The Making of Modern Management, Oxford University Press.

7. Heiny Weihrich and Harold Koontz – Management, A Global Perspective – McGraw Hill International

.

8. R.K. Suri, Organizational Behaviour, Wisdom Publication.

9. A. Pardhasaradhy & R. Satya Raju: Management Text and Cases, Prentice Hall of India.

CP 2: BUSINESS ENVIRONMENT (India & International)

Objective: To familiarize the students with the business environment prevailing in India and international and understand its implications to business.

Unit-I: Business Environment: Components and Significance – Economic Scope – Cultural, Political, Technological and External Factors Influencing Business Environment – Dimensions of International Business Environment – Challenges.

Unit-II: Structure of Indian Economy; Economic systems- Economic planning with special reference to last three plans, public, private joint and cooperative sectors - Industrial Policy of the Government - Policy Resolutions of 1956, 1991 Industrial Policy and Economic Policy - Subsequent policy Statements.

Unit-III: Indian Companies -Competitiveness, Changes and Challenges, Sustainable Development, Social Responsibilities, Ethics in Business- Competition Act 2002 - Emerging Trend in Indian Business Environment.

Unit – IV: International Trade Theories, Balance of Payments – Concepts, Disequilibrium in BOP Structural, Cyclical and Monetary Disequilibrium, Methods of Correction, Trade Barriers and Trade Strategy - Free Trade vs. Protection-World Financial Environment – Foreign Exchange Market Mechanism, Exchange Rate Determination, Euro Currency.

Unit – V: Globalisation: International Economic Integration, Country Evaluation and Selection, Foreign Market Entry Methods, International Trade Stocks – Their Objectives; WTO Origin, Objectives, Organisation Structure and Functioning – WTO and India.

Suggested Books:

1. K.V.Sivayya and VBM Das: Indian Industrial Economy, Sultan Chand Publishers, Delhi.
2. Suresh Bedi: Business Environment, Excel, New Delhi.
3. Francis Cherunilam: Business Environment - Text & Cases.
4. M.Adhikari, Economic Environment of Business.
5. Pandey G.N., Environmental Management, Vikas Publishing House.
6. Raj Agarwal: Business Environment, Excel Publications.
7. Govt. of India, Latest Economic Survey.
8. Chari, S. N: International Business, Wiley India
9. Francis Cherunilam: International Business: Text and Cases, Prentice Hall of India.
10. E. Bhattacharya: International Business, Excel Publications.
11. Sundaram & Black: International Business Environment Text and Cases, PHI.
12. Sajahan: International Business, Mac-Milan India. New Delhi.

CP 3: ADVANCED MANAGEMENT ACCOUNTING

Objective: To develop an insight of postulates, principles and techniques of accounting and utilisation of financial and accounting information for planning, decision-making and control.

Unit – I: Management Accounting – Nature and Scope – Management Accounting Vs Financial Accounting and Cost Accounting – Role of Management Accountant in a Modern Organisation.

Unit – II: Cost Concepts for Decision Making - Cost – Volume – Profit Analysis – Behaviour of Variable Cost – Behaviour of Fixed Cost – Relationships Among Cost and Profits at Various Levels of Activity – Break-Even Point – Margin of Safety – Contribution Approach for Decision Making – Analysis of Contribution Per Unit of Critical Factor.

Unit – III: Cost Analysis for Pricing Decisions – Evaluating the cost Effects of Price – Quantity Relationships Price Elasticity of Demand and Optimal Pricing Decisions – Cost Analysis for Pricing During Recession Conditions – Flexible Cost Data for Pricing Decisions – Special Order Pricing – Impact of Special Order Pricing on Regular Sales and Overall Profits – Partial Fulfilment of Special Order Vs Outsourcing Decisions – Make or Buy Decisions.

Unit – IV: Cost Analysis for Product Decisions – Breakeven Analysis of Multi-Product Firms – Differential Costs for Product – Mix Alterations Decisions – Product Additions Decision – Adding New Products Combining Pricing Decisions with Product Addition Decision and Selecting Profitable Product-Price Strategies – Produce Deletion – Sell or Process Further Decision of Joint and By-Products.

Unit – V: Budgeting – Types of Budgets – Financial Budgets – Operating Budgets – Cash Budget – Production Budget – Flexible Budget – Concepts of Performance Budgeting and Zero Based Budgeting.

Suggested Books:

1. I.M. Pandey: Management Accounting, Vikas Publishing House.
2. N.M. Singhvi, Management Accounting: Text and Cases, Prentice Hall of India.
3. T.P. Ghosh: Fundamentals of Management Accounting, Excel Publications.
4. Ravi M. Kishore, Management Accounting, Taxman Publications.
5. Chakraborty, Hrishikesh – Management Accountancy, Oxford University Press.
6. Horngren, C.T., Introduction to Management Accounting, Prentice Hall of India.
7. Khan and Jain, Management Accounting, Tata McGraw Hill, Delhi.
8. J.C. Varshney: Financial and Management Accounting, Wisdom Publication.
9. Horngren Sundem Stratton, Management Accounting, Prentice Hall of India.
10. Paresh P. Shah, Management Accounting, Wiley India, New Delhi.

CP 4: BUSINESS ECONOMICS

Objective: To enable the students to understand economic concepts and theories and their application in management decision-making.

Unit - I: Introduction: Nature and Scope of Business Economics; Objectives of the Firm – Traditional Theory, Sales and Revenue Maximizing Theories, Managerial Theories and Behavioral Theories; Profit Maximization Vs. Wealth Maximization; Demand Forecasting – Methods of forecasting demand for Existing and New Products, Criteria for Good Forecasting Method.

Unit - II: Production Analysis and Cost Analysis: Production Function – Law of Variable Proportions, Isoquant and Isocost Curves, Least Cost Combination, and Returns to Scale; Economies of Large Scale; Cobb-Douglas Production Function and C.E.S. Production Function; Cost-Output Relationships – Short and Long Run; Cost Oriented Pricing Methods – Full Cost Pricing, Marginal Cost and Differential Cost Pricing.

Unit - III: Market Analysis: Price and Output Determination Under Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly and Duopoly.

Unit - IV: Profit Analysis: Meaning of Profit, Limiting Factors of Profit, Criteria for Standard Profit: Theories of Profit; Business Forecasting – Nature and Scope of Forecasting and Different Methods of Business Forecasting and their Advantages and Disadvantages.

Unit - V: Macro Economic Concepts: National Income, Trade Cycles, Inflation, Monetary and Fiscal Policies.

Suggested Books:

1. Mukherjee Sampat: Business and Managerial Economics (In the Global Context), Third Edition, New Central Book Agency (P) Ltd., Kolkatta, 1996.
2. Dwivedi, D.N.: Managerial Economics, Vikas Publishing House Pvt. Ltd., 2003.
3. Dhingra, I.C., Essentials of Managerial Economics; Theory, Applications and Cases, Sultan Chand, New Delhi, 2003.
4. Mithani, D.M.: Managerial Economics; Theory and Applications, Himalaya Publishing House, 2003.
5. Mehta, P.L.: Managerial Economics, Text and Cases, S.Chand & Co., Delhi.
6. Varshney, R.L. and Maheswari, K.L.: Managerial Economics, S.Chand & Co, Delhi.
7. Dwivedi, D.N.: Macroeconomics; Theory and Policy, Tata McGraw Hill Publishing Company, 2002.
8. Gupta, G.S.: Macroeconomics; Theory and Applications, Tata McGraw Hill Publishing Company Ltd.
9. Yogesh Maheswari, Managerial Economics, 2nd Edition, Prentice Hall of India.

CP 5: BUSINESS COMMUNICATIONS

Objective: To equip the students with the necessary techniques and skills of communication to inform others, inspire them enlist their activity and willing cooperation in the performance of their jobs.

Unit – I: Importance of Communication in Business Organisations – Communication Objectives – Media of Communication: Written, Oral, Visual – Audio Visual Communication.

Unit – II: Interpersonal Communication – Interpersonal Communication – Communication Models: Exchange Theory – Johari Window – Transactional Analysis, Communication Styles.

Unit – III: Communication Barriers – Communication Gateways – Developing Listening Skills – Influence of Culture on Communication.

Unit – IV: Report Writing – Formal Reports – Informal Reports – Writing Good News and Bad News.

Unit – V: Meetings and Oral Presentations – Communication Through Visuals – Use of Electronic Media in Business Communication.

Suggested Books
:

1. Jerry C. Wofford, Edwin A. Gerloff and Robert C. Cummins, Organisational Communication – The Key stone of Managerial Effectiveness.
2. McGrath, Basic Managerial Skills for All, 5th ed., Prentice Hall of India.
3. Urmila Rai & S.M. Rai, Business Communication, Himalaya Publishers, Mumbai.
4. Meenakshi Raman – Business Communication, Oxford University Press.
5. Bovee, Thill and Schatzman: Business Communication Today: Pearson Education.
6. Biswajit Das: Business Communication personality Development, Excel Publications.
7. Parag Diwan: Business Communication, Excel Publications.
8. Lesikar I Flatley, Basic Business Communication, Tata McGraw Hill.
9. Dalmar Fisher, Communication in Organizations, A Jaico Book.
10. Scot Ober, Contemporary Business Communication, Wiley India, New Delhi.

CP 6: SOFTSKILLS
(Business and Spoken English)

Objective: To train students in English language to improve their oral and written business communication

Unit-I: Business Correspondence: Meaning, Scope and Significance - Formal, informal and semiformal introductions – Describing company activities and structures – Describing job responsibilities – Understanding and writing letters - Differences between formal and informal writing – Use of formal vocabulary and functional language in business letter writing – Planning effective initial business letters and responses – email writing skills, call taking etiquette/skills/

Unit-II: Business Information: Completing forms with required details: Asking appropriate questions to gather information – Polite phrases of confirmation and communication breakdown- understanding native speaking accents and dialects; Functional language used in making verbal agreements — Effective techniques of making and accepting offers – Efficient written offer making and accepting.

Unit-III: Business Presentations: Basic presentation techniques – Use of information in presenting product features – Explaining technical features for simplification; Giving and interpreting numerical data, common useful business abbreviations and acronyms - Oral and written conventions for expressing numerical information in English – Pronunciation issues in expressing numbers and the alphabet.

Unit-IV: Business Reporting: Use of grammar in giving instructions– Effective presentation of oral instructions – effective presentation of written instructions, Presenting and describing company information: Vocabulary of describing graphical and numerical information – Expressing cause and result in English – Summarizing important information concisely.

Unit-V: Feedback and Evaluation: Giving feedback to others - Use of questions in self-assessment elicitation – Functional language of agreement/disagreement and opinion giving – Use of tone and intonation in good/bad feedback – Motivating others – Use of emphatic structures in English – Use of conditionals to discuss future possibilities – Discourse strategies for effective relationship – team building skills.

Suggested Books:

1. K. Srinivasa Krishna & B. Kuberudu: Business Communication and soft skills, excel, Hyderabad, 2008.
2. Seghal, M.K. Business Communication, Excel Books, New Delhi.
3. Mary Ellen Guffey, Business English.
4. Marie M. Stewart, Business & Communication
5. G.L. Handesson, P.R. Voiles, Business English & Communication.
6. Robert E. Barry, Pat Taylor Ellison, Business English for 21st Century.

M.Com: SECOND SEMESTER

CP: 1 E-BUSINESS

OBJECTIVE :

Objective of this course is to provide basic concepts of e-business and equip the student with the skill of integrating business process with electronic technology.

UNIT –I

Introduction – Traditional Business Vs E-Business - E-Business, E-Commerce, E- Marketing and M-Commerce –Internet, WWW and Evolution of E-Business – Growth of E-Business in India

UNIT - II

Infrastructure for E-Business – Internet Protocals, Web-Based Clint/Server, Internet Security, Media Convergence, Multimedia –Architectural Framework for E- Business – WWW as the Architecture

UNIT - III

E-Business Models based on Relationship of Transaction Parties and based on Relationship of Transaction Types – E-Business for Service Industry – Travel and Tourism, Employment Placement, Real Estate, Stocks Trading, Publishing - Mobile Commerce through different Apps

UNIT –IV

E-Payment Systems – Classification of Payment Systems – Risk and E-Payment Systems – E-Security – Privacy, Integrity, Authentication, Non Repudiation, Technical Attacks and Non Technical Attacks

UNIT –V

E- Advertisement - E-Business Strategies and Implementation – E-Supply Chain Management – Legal Ethical Issues of E-Business

SUGGESTED READINGS :

Ravi Kalakota & Marcia Robinson, E-Business Road map for success, Pearson Education, Asia.

Ravi Kalkota & Andrew B. Whinston, Frontiers of Electronic Commerce, Addison Wesley.

P.T.Joseph, S.J. E-Commerce: An Indian Perspective, Prentice Hall of India

Kenneth C. Laudon, Carol Guercio Traver, E-Commerce: Business, Technology, Society, Pearson Education

Efraim Turban, Jae Lee, David King and H. Michael Chung, Electronic Commerce, Pearson Education

C.S.V. Murthy, e-commerce : concepts, models and strategies, Himalaya Publishing/

C.S. Rayudu, E-Commerce and E-Business, Himalaya Publishing House.

Kamalesh Bajaj and Debjani Nag, E-Commerce, Tata McGraw Hill.

N.Bandopadhyaya, E-Commerce Context, Concepts and Consequences, Tata McGraw Hill.

. Abhjit Choudhary, E-Business and E-Commerce Infrastructure Technologies supporting

CP 2: FINANCIAL MANAGEMENT

Objective: To develop an understanding of the Finance functions and relevant techniques of financial administration.

Unit – I: Introduction: Nature, Scope and Objectives of Financial Management: Finance Function – Profit Goal vs. Wealth Goal Maximization; Techniques of Financial Analysis: Funds Flow Analysis and Ratio Analysis Role of Financial Manager in Modern Environment.

Unit – II: INVESTMENT DECISION: Techniques of Appraisal; Process of Capital Budgeting – Risk Vs. Return Traditional and Modern Techniques. (including problems).

Unit – III: FINANCING DECISIONS: Capital Structure – Determinants; Leverages – Financial, Operating and Combined: Cost of Capital. (including problems)

Unit – IV: DIVIDEND AND RETAINED EARNINGS: Dividend Policy Decisions; Parameters, Dividend Models; Policies Regarding Retained Earnings.

Unit – V: WORKING CAPITAL MANAGEMENT: Concept, Need and Determinants of Working Capital - Working Capital Cycle – Working Capital Policy.

Suggested Books:

1. Brearley, Richard and Myers, Steward: Principles of Corporate Finance, New York, McGraw Hill.
2. Soloman, Ezra, Theory of Financial Management, Columbia Press.
3. James C. Van Horne, Financial Management and Policy, Prentice Hall of India.
4. Weston J. Fred and Brigham, Eugne F., Managerial Finance, Dryden Press.
5. Prasanna Chandra, Financial Management, Tata McGraw Hill.
6. Khan, M.Y. and Jain, Financial Management, Tata McGraw Hill.
7. Pandey, 1M, Financial Management, Delhi, Vikas Publishing House.
8. Ravi M. Kishore: Financial Management, Taxmann.
9. Sudhirbhat, Financial Management, Excel Books.

CP 3: HUMAN RESOURCE MANAGEMENT

Objective: To enable the students to familiarize with the main aspects of Human Resource Management at the organization level and apply the same in management of Human Resources.

Unit – I: Human Resources Management: Concept, Significance and Evolution; Functions of HR Manager, Place of HR Department in Organization.

Unit – II: Human Resource Planning: Significance – Methods and Techniques - Job Analysis – Recruitment and Selection Processes - Induction – Placement – Promotion and Transfers.

Unit – III: Training and Development: Significance – Identification of Training Needs – Employee Training Methods – Executive Development Methods – Evaluation of Training and Development Programmes.

Unit – IV: Wage and Salary Administration: Wage Concepts; Job Evaluation – Methods & Techniques Wage Structure & Policy – Wage Differentials – Wage Payment Methods – Incentives – Fringe Benefits – Performance Appraisal: Scope & Significance – Methods of Appraisal - Limitations of Appraisal.

Unit – V: Industrial Relations: Significance, Causes of Disputes and Settlement - Role of State in Industrial Relations - Collective Bargaining - Employee Participation in Management.

Suggested Books:

1. Venkat Ratnam C.S., and Srivastava B.K., Personnel / Human Resource Management, Tata McGraw Hill.
2. Cynthia D. Fisher & Lyle F. Schoenfeldt, Human Resource Management, Wiley India, New Delhi.
3. N.K. Singh: Human Resources Management, Excel Publications.
4. Jyothi – Human Resource Management, Oxford University Press.
5. Gary Dessler, Human Resource Management.
6. Edwin B Flippo, Personnel Management.
7. Decenzo / Robbins, Personnel / Human Resource Management, 3rd Ed, John Wiley & Sons Pvt. Ltd.
8. P. Subba Rao, Human Resource Management, Himalaya Publishers, Mumbai.
9. Deepak Kumar, B. Human Resource Management, Excel Books.
10. Ghosh, HRD and Management, Vikas.
11. Ian Badwel, Len Holden: Human Resource Management – A Contemporary Perspective, Macmillan India Ltd.

CP 4: MARKETING MANAGEMENT

Objective: To develop an understanding of the concepts, strategies and issues involved in marketing and its Management.

Unit – I: Importance of Marketing – Concepts – Approaches to the Study of Marketing – Marketing Environment.

Unit – II: Consumer Behaviour – Market Segmentation – Market Targeting and Positioning – Marketing Information System and Research.

Unit – III: Marketing Mix: Product Planning – New Product Development – Product Life Cycle – Branding Packaging – Product Mix Management.

Unit – IV: Pricing: Objectives – Methods and Strategies – Distribution – Channel Selection and Management Retail Management.

Unit – V: Promotion: Integrated Marketing Communications: Personal Selling – Advertising – Sales Promotion, Publicity and Public Relations – Direct Marketing: Evaluation of Communication Effort.

Suggested Books:

1. Philip Kotler and Kevin Lane Keller: Marketing Management, Prentice Hall of India / Pearson Education, New Delhi.
2. William J Stanton & Futrell: Fundamentals of Marketing.
3. V. J. Ramaswami and S. Namakumari: Marketing Management, Macmillan Business Books, Delhi.
4. S. Jayachandran: Marketing Management, Text and Cases, Excel Publications.
5. Tapan K. Panda, marketing management, Excel.
6. Zinkota & Kotabe: Marketing Management, Prentice Hall of India.
7. Joel R. Evans & Barry Berman: Marketing, Wiley India, New Delhi.
8. Mukesh Dhunna: Marketing Management, Wisdom Publication.
9. Rajiv Lal, John A. Quelch & V. Kasturi Rangan, Marketing Management, Tata McGraw Hill.

ELECTIVE
(Choose any Two)

1. QUANTITATIVE TECHNIQUES FOR BUSINESS DECISIONS

Objective: To make the students familiar with the statistical and mathematical techniques and their applications in business decision making.

Unit – I: Functions, Linear, Quadratic, Logarithmic and Exponential Functions – Permutations and Combinations – Matrices – Solving System of Equations with Matrix Methods – Differentiation and Integration of Simple Functions and their Applications.

Unit – II: Measures of Central Tendency – Measures of Dispersion – Simple Correlation and Regression Analysis – Concept and Applications of Multiple Regressions.

Unit – III: Concept of Probability – Probability Rules – Joint and Marginal Probability – Baye's Theorem – Probability Distributions – Binomial, Poisson, Normal and Exponential Probability Distributions.

Unit – IV: Sampling and Sampling Distributions – Estimation – Point and Interval Estimates of Averages and Proportions of Small and Large Samples – Concepts of Testing Hypothesis – One Sample Test for Testing Mean and Proportion of Large and Small Samples.

Unit – V: Tests of Two Samples – Tests of Difference Between Mean and Proportions of Small and Large Samples – Chi-square Test of Independence and Goodness of Fitness – Analysis of Variance.

Suggested Books:

1. K.V. Sivayya and K. Satya Rao, Business Mathematics.
2. R. Selvaraj, Quantitative Techniques, Excel Books, New Delhi.
3. Misra: Quantitative Techniques for Management, Excel Publications.
4. Barry Render, Ralph M. Stair Jr. & Michael E. Hanna, Quantitative Analysis for Management, 8^{th} ed., Prentice Hall of India.
5. Levin, Krehbiel and Berenson, Business Statistics: A first course, Pearson Education Asia.
6. Nagar, Das – Basic Statistics, Oxford University Press.
7. Shenoy, Sarma and Srivatsava, Quantitative Techniques for Management, New Age (International) Pvt. Ltd.
8. N.D. Vohra, Quantitative Techniques in Management, Tata McGraw Hill, 2001.
9. C.R. Kothari, Quantitative Techniques, Vikas Publishers.
10. Anand Sharma, Quantitative Techniques for Decision Making, Himalaya Publishers, Mumbai.
11. Zameerudding, Khanna and Bhambri, Business Mathematics, Vikas Publishing House.

2. SOFTSKILLS
(Personality Development & GD)

Objective: to equip students with the most needed personality characteristics of modern professional managers with an emphasis on positive thinking, creativity, goal-setting, time management, self-discipline and interview skills.

Unit - I: CAREER PLANNING: Meaning And Importance – The Process Of Career Planning – Different Dimensions – Factors To Be Considered For Career Planning - Goal Setting - Positive Thinking

Unit - II : PERSONALITY DEVELOPMENT: Intra-personal Skills - Inter-personal Skills - Communication Skills – Spoken, Written, Non-Verbal (Body Language), Listening skills - Time Management – Leadership – Creativity - Problem Solving - Strategic Planning.

Unit - III: INTERVIEW PREPARATION: Art of Facing Interview - Resume Preparation-Preparation for Campus Interviews - Pre-requisites for Campus Interviews - Stress and Anxiety Management - Dress Code & Appearance.

Unit - IV : INTERVIEW PROCESS: Written Test - Group Discussion - Role-Play-Response to Oral Questions - Employer's Criteria.

Unit - V:NEGOTIATION WITH PROSPECTIVE EMPLOYER: Terms and Conditions - Compensation Package - Place of Posting - Career, Succession - Multi-Skill Development.

Suggested Books:

1. Biswajit Das, Business Communication and Personality Development, Excel Books.

2. Subrahmanyam, et.al., Personality Development, Excel Books, New Delhi.

3. ENTREPRENEURSHIP DEVELOPMENT

Objective: The objective of this course is to expose the students to the subject of entrepreneurship and small business management, so as to prepare them to establish and a new enterprise and effectively manage the same.

Unit – I: Entrepreneurship: Importance, Characteristics and Qualities of Entrepreneurship; Entrepreneurial; Role of Entrepreneurship, Ethics and Social Responsibilities.

Unit – II: Role of Government; Role of IDBI, NIESBUD, SISI, DIC Financial Institutions Commercial Banks, Entrepreneurial Development Institutes, Universities and other Educational Institutions Offering Entrepreneurial Development Programme.

Unit – III: Training: Designing Appropriate Training Programme to Inculcate Entrepreneurial Spirit, Training for New and Existing Entrepreneurs, Feedback and Performance of Trainees.

Unit – IV: Women Entrepreneurship – Role & Importance, Profile Women Entrepreneur, Problems of Women Entrepreneurs, Women Entrepreneurship Development in India.

Unit – V: Creativity and Entrepreneurship Sources and Methods of Ideas Planning and Development of Programmes E-Business Ventures; New Venture Management.

(Case Studies are Compulsory)

Suggested Books:

1. NVR Naidu and T.Krishna Rao, Management and Entrepreneurship, IK Int Pub House, New Delhi
2. S Anil Kumar, Small Business and Entrepreneurship, IK Int Pub House, New Delhi
3. Balraj Singh, Entrepreneurship Development, Wisdom, Delhi
4. Timmons and Spinelli, New Venture Creation:Entrepreneurship for 21st Century, TMH, ND
5. Tabarrok – Entrepreneurial Economics, Oxford University Press.
6. C.V. Bakshi, Entrepreneurship Development, Excel Publications.
7. Jain, Hand Book of Entrepreneurs, Oxford University Press.

Vasant Desai, Small Business in Entrepreneurship, Himalaya Publishing House.

4. CORPORATE GOVERNANCE

Objectives: This course exposes the students to the various concepts of Corporate Governance and business ethics and provides an in-depth study of various issues there under.

Unit I: Corporate Governance – concept -meaning – scope – need – Corporate Governance mechanism – Corporate Governance and stakeholders – Investors protection – obligation to investors –obligation to employees –obligation to customers – managerial obligation – obligation to government – Corporate governance and value maximization.

Unit II: Historical perspective of Corporate Governance – World Bank on Corporate Governance – OECD Principles – Mckinsey survey on corporate governance – Sarbanes-Oxley Act 2002 – Indian Committees and guidelines and corporate governance- Naresh Chandra committee – Narayana murthy committee - J.J.Irani committee- Kumar mangalam birla committee – The Confederation of Indian industry's Initiatives – SEBI initiatives – Corporate Governance practices in India.

Unit III: Corporate Governance and role of Board of directors – Role of Board – governance issues relating to the Board – the role of directors – independent directors – Clause 49 of Listing agreement – Directors" remuneration – Corporate Governance Reporting and Best practices.

Unit IV: Corporate Governance and the role of Audit committees – role , duties and responsibilities of auditors –types of auditors –corporate governance and internal auditors – cost audit methodology – quality audit –Naresh Chandra Committee report on Corporate audit and governance.

Unit V: Corporate Governance and business ethics – meaning – scope – need for business ethics – roots of unethical behavior – unethical issues –corporate governance and ethics – the Indian context- Corporate Social Responsibility – meaning – scope – Corporate Governance and CSR – Social responsibility and Indian corporations. Corporate Governance and regulators role – SEBI – The future of Corporate Governance in India.

Suggested books:

1.A.C. Fernando, "Corporate Governance" Principles, policies and practices, Pearson Education, New Delhi.

2.Dr. Singh, Corporate Governance: Global concepts and practices.

3.ICSI, Corporate Governance – Modules of Best Practices.

4.Report on Corporate excellence on a sustained basis, Dr. M.R.Rao, Director, IIMB.

SEMESTER THREE

CP:1 INSURANCE PRODUCTS AND MANAGEMENT

Unit – I: Life Insurance Concept – Basic Principles of Life Insurance Utmost Good Faith-Insurance Interest – types of Life Insurance – Variations of Whole Life Insurance – Other types of Life Insurance.

Unit – II: Life Insurance Contractual Provisions – Dividend Options – Non Forfeiture Options – Settlement Options – Additional Life Insurance Benefits – Insurance Pricing – Objectives of Rate Making – Rate Making in Life Insurance.

Unit – III: Health and Disability – Income – Insurance – Types of Individual Health Insurance Coverage's – Individual Medical Expense Contractual – Group Insurance Group Life Insurance Plans – Group Medical Expense Insurance.

Unit – IV: Employee Benefits – Retirement Plans –Fundamentals of Private Retirement Plans – Types of Qualified Retirement Plans – Profit Sharing Plans – Self Retirement Plans for Employed – Single Retirement Plans – Simplified Retirement Pension.

Unit – V: Re-Insurance Reasons For Reinsurance- Types of Reinsurance – Alternatives to Traditional Reinsurance Functions of Reinsurance – Advantage and Disadvantage of Reinsurance.

Suggested Books:

1. George E. Rejoa, Principles of risk management and insurance, Pearson Education, New Delhi, 2004.

2. Black Jr. Skipper Jr. Health Insurance, Pearson Delhi, 2003.

3. M.N. Mishra, Insurance Principles and Practice, S. Chand, New Delhi, 2003.

4. M.J. Mathew, Insurance Principles and Practice, RBSA publishers, Jaipur 2005.

Elective: Accounting
(Choose any Two)

1. CORPORATE ACCOUNTING

Unit - I: Corporate Financial Accounting: Objectives-Scope - Role of Corporate Accountant-Analysis and Interpretation of Financial Statements - Inflation Accounting.

Unit - II: Valuation of Shares: Need for Valuation of Shares – Factors Effecting Value of Shares – Methods of Valuation – Impact of Earnings on Share Valuation – Role of Fundamental Analysis and Technical Analysis in Share Valuation – Fair Value of a Share – Buy Back of Equity Shares.

Unit - III: Consolidated Financial Statements: Definition of Parent or Holding and its Subsidiary – Need for Consolidated Financial Statement – Preparation of Consolidated Balance Sheet of a Holding Company with one Subsidiary – Consolidation of Profit and Loss Account – Consolidated Statement of Changes in Financial Position.

Unit - IV: Accounting Standards: Objectives – Advantages and Disadvantages of Accounting Standards – Accounting Standards Board (ASB) – Compliance with Accounting Standards – International Accounting Standards and Linkage with Indian Accounting Standards – Accounting Standards Under US GAAP and Indian GAAP.

Unit - V: Financial Reporting: Concept, Objectives – Users Purpose of Financial Reporting and Specific Purpose of Report – Segment Reporting – Difficulties in Segment Reporting– Interim Reporting – Problems in Interim Reporting – Improving Financial Reporting – Value Added Statements – Disclosure of Value Added Statements – Economic Value Added – Human Resource Reporting - Environmental Reporting.

Suggested Books:

1. Advanced Accounting – Corporate Accounting Vol. 2 – Ashok Sehgal & Deepak Sehgal, Taxmann Allied Services Pvt Ltd, New Delhi.
2. Advanced Accounting – Volume – 2; R.L. Gupta & Radhaswami S. Chand & Co. Delhi.
3. Financial Accounting: A Managerial Perspective, R. Narayana Swamy, Prentice Hall of India.
4. Financial Accounting for Business Managers: Asish K. Bhattacharyya, Prentice Hall of India.
5. Human Resource Accounting – D. Prabhakara Rao.
6. Advanced Accounts – Chakravarthy – Oxford Publishers.
7. Modern Accountancy Vol.2 – A. Mukharjee and M. Hanieff – Tata McGraw hill publishing Company. New Delhi.
8. Financial Accounting – A Managerial Perspective – R. Narayana Swami – Prentice Hall of India, New Delhi.
9. Corporate Accounting – S.N. Maheswari & S.K. Maheswari, Vikas Publishing House, New Delhi.

2. INTERNATIONAL ACCOUNTING

Unit – I: International Dimensions of Accounting – Definition and Importance of International Accounting – Scope of International Accounting – Status of International Accounting in India.

Unit – II: Internationalisation of Accounting Profession – Harmonization of Accounting Practices – Comparative Analysis Between US GAAP, Indian GAAP and IAS – Models of Uniformity in Accounting.

Unit – III: Accounting for Currency Translation – Need – Foreign Exchange and Procedural Issues – Practices.

Unit – IV: Transfer Pricing – Definition – Evolution and Approaches to Transfer Pricing in International Business with Special Reference to Multinational Corporations – Indian Experience.

Unit – V: International Dimensions of Financial Reporting – Introduction – Transactional Reporting – Considerations Reporting Practices – Recent Changes – Indian Experience.

Suggested Books:

1. ‘International Accounting’ – Dr. Shirin Rathore, Prentice Hall of India Pvt. Ltd., New Delhi.

2. FDC Choi and G.G. Mueller, ‘An introduction to multinational Accounting’ (Prentice Hall, 1982).

3. ‘International Accounting and financial reporting, Rueshhoff (Norlin G)

4. ‘International Accounting – A User perspective Shahorkh M. Suddagaran, TAXMAN INDIA. 2000.

5. “Advanced Financial Accounting”. Richard E Baker, Valdean C. Lembke Thomases King, McGraw-Hill Higher Education, Irwin, 2005.

6. “Comparative International Accounting” Christopher Nobes & Robert Parker, Pearson Education, 2002, New Delhi.

3 . TOTAL COST MANAGEMENT

Objective: To enable the students to have a comprehensive understanding about the concept and components of Total Cost Management.

UnitI; Cost Management-Nature and Scope-Management of value chain-tools of cost management-Product costing systems-Job and Process Order costing systems.

Unit II: Activity Based Costing system-Meaning and scope-Limitations of traditional costing allocation methods-Application of ABC system-Target Costing-Benchmark Costing.

Unit III: Quality cost systems-meaning and application-Conflict between quality and cost-Trade-off between Quality and Price-Value analysis-Life Cycle costing-Learning Curve Analysis-JIT and Cost Reductioin

Unit IV: Cost estimation-Methods-Costing Engineering-Using Regression Analysis-Evaluating Performance-Cost Variance Analysis-Kaizen Costing

Unit V: Cost Audit-Definition-Purpose-Scope-Aspects of Cost Audit-Cost Audit Programme-Advantages-Limitations-Cost Audit Vs. Financial Audit-Cost Audit in India.

Text Book:

1. Hilton, Maker and Selt, Cost Management-Strategies for Business Decisions, Tata McGraw Hills, New Delhi

Reference Books:

1. Jack Campanella, Principles of Quality Costs, Principles, Implementation and Use, Prentice Hall of India Pvt. Ltd.
2. Benerjee, B, Cost Accounting, World Press, Calcutta
3. Charles T Horngren, Cost Accounting-A Managerial Emphasis, Prentice Hall of India, New Delhi

4. MANAGEMENT AND COST AUDIT

Objective: To expose the student with the managerial issues of cost and management audit.

Unit I : Objectives of Audit-Meaning and scope of cost and management audit-Managerial uses of cost and management audit.

Cost Audit-Distinction between Financial and Cost Audit-Maintenance of Statutory Cost Audit.

Unit II : Management Audit-Nature and Scope –Statutory audit Vs.Management Audit.

Management Audit-Efficiency Measures-Questionnaire for evaluation of management functions-Techniques for assessing managerial efficiency-Preparing for management audit report.

Unit III: Appointment of Cost Auditor-Powers and Duties of cost Auditor-Professional Ethics for Cost Auditor

Cost Audit Planning-Checking of basic records-Study of cost structure of the company-Familiarity with industry cost structure-Precautions for including Cost Audit Report

Unit IV: Practical aspects of Cost Audit-Material checking –Payroll checking-Overhead checking-Depreciation checking-Production records checking-Stock valuation checking-Post-checking work.

Unit V: Cost Audit Report Writing- The main certificate-Cost Accounting system-Financial position-Production –Process of manufacturing-various expenses-Sales

Prescribed Text Book:

1. Ramanathan, A.R., Cost and Management Audit, Tata McGraw Hill, New Delhi

Reference Books:

1. Greenwood W.T., Business Policy-A Management Audit Approach,MacMillan, New York
2. Kamal Gupta, Contemporary Auditing, Tata McGraw Hill, New Delhi

Elective: FINANCE
(Choose any Two)

1. STRATEGIC FINANCIAL MANAGEMENT

Unit – I: Financial Goals and Strategy – Shareholder Value Creation (SCV): Market Value Added (MVA) – Market-to-Book Value (M/BV) – Economic Value Added (EVA) – Managerial Implications of Shareholder Value Creation.

Unit – II: Financial Strategy for Capital Structure: Leverage Effect and Shareholders' Risk – Capital Structure Planning and Policy – Financial Options and Value of the Firm – Dividend Policy and Value of the Firm.

Unit – III: Investment Strategy – Techniques of Investment Appraisal Under Risk and Uncertainty – Risk Adjusted Net Present Value – Risk Adjusted Internal Rate of Return – Capital Rationing – Decision Tree Approach for Investment Decisions – Evaluation of Lease Vs Borrowing Decision.

Unit – IV: Merger Strategy – Theories of Mergers – Horizonal and Conglomerate Mergers – Merger Procedure – Valuation of Firm – Financial Impact of Merger – Merge and Dilution Effect on Earnings Per Share – Merger and Dilution Effect on Business Control.

Unit –V: Takeover Strategy – Types of Takeovers – Negotiated and Hostile Bids – Takeover Procedure – Takeover Defences – Takeover Regulations of SEBI – Distress Restructuring Strategy – Sell offs – Spin Offs – Leveraged Buyouts.

Suggested Books:

1. Coopers & Lybrand, Strategic Financial: Risk Management, Universities Press (India) Ltd.
2. Robicheck, A, and Myers, S., Optimal Financing Decisions, Prentice Hall Inc.
3. James T. Gleason, Risk: The New Management Imperative in Finance, A Jaico Book.
4. Van Horn, JC. Financial Management and Policy, Prentice Hall.
5. Prasanna Chandra, Financial Management Theory and Practice, Tata McGraw Hill.
6. Weston JF, Chung KS & Hoag SE., Mergers, Restructuring & Corporate Control, Prentice Hall.
7. Pandey IM, Financial Management, Vikas.
8. Shiva Ramu, S., Corporate Growth through Mergers & Acquisitions, Response Books (A Division of Sage Publications).
9. Khandawalla, PN, Innovative Corporate Turnarounds, Sage Publications.

2. FINANCIAL MARKETS AND SERVICES

Unit - I: Structure of Financial System – Role of Financial System in Economic Development- Financial Markets and Financial Instruments- Capital Markets – Money Markets –Primary Market Operations- Role of SEBI – Secondary Market Operations - Regulation – Functions of Stock Exchanges – Listing - Formalities -Financial Services Sector Problems and Reforms.

Unit - II: Financial Services: Concept, Nature and Scope of Financial Services – Regulatory Frame Work of Financial Services – Growth of Financial Services in India - Merchant Banking – Meaning –Types – Responsibilities of Merchant Bankers – Role of Merchant Bankers in Issue Management – Regulation of Merchant Banking in India.

Unit - III: Venture Capital – Growth of Venture Capital in India – Financing Pattern Under Venture Capital – Legal Aspects and Guidelines for Venture Capital. Leasing – Types of Leases – Evaluation of Leasing Option. Vs. Borrowing.

Unit - IV: Credit Rating – Meaning, Functions - Debt Rating System of CRISIL, ICRA and CARE. Factoring, Forfeiting and Bill Discounting –Types of Factoring Arrangements-Factoring in the Indian Context.

Unit - V: Mutual Funds – Concept and Objectives, Functions and Portfolio Classification, Organization and Management, Guidelines for Mutual Funds, Working of Public and Private Mutual Funds in India. Debt Securitisation - Concept and Application - De-mat Services-need and Operations-role of NSDL and CSDL.

Suggested Books:

1. I.M. Bhole, Financial Institutions and market, Tata McGraw Hill.
2. V.A. Avadhani, Marketing of Financial Services, Himalayas Publishers, Mumbai.
3. Vasant Desai, Indian financial system, Himalaya Publisher.
4. Benton E.G., Financial Intermediaries An introduction.
5. Edminister R. D, Financial Institution, Markets and Management.
6. Verma J.C A manual of Merchant Banking.
7. West Lake. M, Factoring.
8. N. Vinaykan, A Profile of Indian Capital Market.

3. MANAGEMENT OF MUTUAL FUNDS

Objective: To facilitate the students in having comprehensive understanding about the conceptual framework of mutual funds and their progress in India.

Unit I: Financial Markets in India-Money Market-Features-Instruments; Capital Market-Features-Instruments.

Unit II: Mutual Funds-Concept-importance-classification-Advantages-Rationale for investments in mutual funds.

Unit III: Investment management-Investment portfolio risk and returns-Measuring risk; Marketing of mutual funds-Market analysis-Developing market strategy-Marketing mix for Mutual Fund Institutions-E-marketing in Mutual Funds.

Unit IV: Regulatory framework of Mutual Funds in India-Guidelines by the Ministry of Finance-SEBI Guidelines-Evaluation of Mutual Funds-Role of Association of Mutual Funds of India.

Unit V: Mutual Funds in India-Trends and Progress of Mutual Funds-Emerging issues in Mutual Funds in India.

Suggested Books:

Text Book:

1. Nani Prava Tripathy, Mutual Funds, Emerging Issues in India, Excel Books, New Delhi.

Reference Books:

1. Padmalatha Suresh & Justin Paul, Management of Banking and Financial Services, Pearson Publishers, New Delhi.

2. Mukunda Sharma, Banking and Financial Services, Himalaya Publishing House, Mumbai.

4. FINANCING FOREIGN TRADE

Objective: To make the students aware of different concepts and techniques involved in financing foreign trade in India.

Unit I: Foreign Trade-Meaning-Need for Foreign Trade-Balance of Trade-Methods of Foreign Trade-Instruments of Foreign Trade.

Unit II: Exchange controls-Meaning, need for exchange controls-Methods of exchange control measures in India.

Unit III: Import Finance (Documentary credit) – Finance Exports (pre and post shipment)

Unit IV: Project Exports – Meaning and importance – Methods of finance project exports

Unit V: Role of commercial banks and Exim Bank of India in financing India's foreign trade.

Suggested Books:

Text Book:

1. Chaudhuri B.K & Agarwal O.P. A Text Book of Foreign Trade and Foreign Exchange, Himalaya Publishing House, Mumbai.

Books and Reference:

1. Jeevanandam, C. Foreigh Exchange-Practice, Concepts and Control, Sultan Chand & Sons, New Delhi.

2. Jhingan M.L., Money, Banking & International Trade, Konark Publications, New Delhi.

3. Francis Cherunilam, International Trade and Export Management, Himalaya Publishing House, Mumbai.

4. Prabhakar, J.V. & Rangandhachary, A.V. International Business (International Trade & Finance), Kalyani Publishers, Ludhiana.

Elective: Taxation
(Choose any Two)

1. DIRECT TAXES

Unit – I: Income Tax Act 1961: Basic Concepts, Income, Agriculture Income -Residential Status and Incidence of Tax - Incomes Exempt from Tax.

Unit – II: Income from Salaries: Chargeability, Deductions, Perquisites, Computation of Salary Income.

Unit – III: Income from House Property, Chargeability, and Computation of Income.

Unit – IV: Income from Business & Professions - Capital Gains and Income from Other Sources –Computation of Total Income.

Unit – V: Wealth Tax Act, 1957 – Chargeability – Incidence of Tax – Assets – Deemed Assets - Assets Exempt from Wealth Tax - Return of Wealth and Assessment – Rates of Tax - Computation of Net Wealth.

Suggested Books:

1. Dr. V.K. Singhania & Dr. Kapil Singhania, Direct Taxes Law and Practice, Taxman Publications Pvt. Ltd., New Delhi.

2. Bhagavati Prasad, Direct Taxes Law and Practice, Wishwa Prakashan, New Delhi.

3. Dinkar Pagare, Income Tax and Practice, Sultan Chand and Sons, New Delhi.

2. INDIRECT TAXES

Unit – I: Excise Duty - Introduction – Laws Relating to Excise Duty – Nature of Excise Duty – Basic Concepts – Taxable Event for Excise Duty – Types of Excise Duties – Exempted Goods.

Unit – II: Excisable Goods – Classification of Goods – Valuation of Goods.

Unit – III: CENVAT – Input Goods and Services for CENVAT – Capital Goods for CENVAT – Exempted Final Products / Output Services.

Unit – IV: Customs Duty - Introduction – Basic Concepts – Scope and Coverage of Customs Duty - Nature of Customs Duty – Classification for Customs – Types of Custom Duties. Exemptions from Customs Duty – Valuation for Customs Duty.

Unit – V: Customs Procedures: Import Procedures - Export Procedures - Baggage, Courier and Post – Warehousing in Customs – Duty Draw Back.

Suggested Books:

1. V.S. Datey, Indirect Taxes Law & Practice, Taxman Publications Pvt. Ltd., New Delhi.

2. V.K.Sareen and Ajay Sharma, Indirect Tax laws, Kalyani Publications, New Delhi.

3. CUSTOMS ACT

Unit-I Tax System – Indirect Taxes - Background of Customs Law – Overview of Customs Act – Customs Tariff Act, 1975 – Territorial Waters and Customs Waters - Administrative Set up of Customs

Unit-II Customs Duty – 'Goods' under Customs Act – Type of Customs Duty – Anti-Dumping Duty – Valuation of Customs – Methods of Valuation – Procedures for Import – Initials Steps by Exporter – Education Cess on customs duty – Secondary Higher Education Cess - Problems on Custom Duty Assessment

Unit-III Customs Procedures – General Provisions – Import Provisions – Export Procedures **-** Baggage, Courier and Import Through Post

Unit-IV Other Provisions of Customs – Penalties under Customs Act – Anti Dumping Duty on Dumped Articles - Value for Purpose of Customs Act – Tariff Value

Unit-V Methods of Valuation of Imported Goods - Valuation of Export Goods – Risk Management System (RMS) – Provisional Assessment of Duty (Sec.18)

References

1. Customs Law Manual and Customs Tariff of India- R K Jain
2. Central Excise Manual and Central Excise Tariff- Taxman's
3. CENVAT Law and Procedure- Taxman's
4. Income Tax Law including VAT/Service Tax- T N Manoharan, Snow White Publications
5. Direct taxes Law & Practice – Vinodh Singhania, Kapil Singhania, Taxman.
6. Direct Taxes- H C Mehrotra and Goyal, Sahithya Bhavan Publications.
7. Direct Taxes- Gaur and Narang, Kalyani Publishers, Ludhiana.

4. PUBLIC FINANCE

Objective: To make the students familiarizing with the theoretical framework of public finance.

Unit I: Introduction – The Role of the Government in a Changing Perspective, Fiscal Functions of the Government, Co-ordination among those Functions, Provision of Private Goods, Public Goods, Social Goods, Merit Goods and Mixed Goods.

Unit II: Principles of Taxation – Principle of Fiscal Neutrality, Excess Burden, Doctrine Principle of Equity, Benefit Principle, Bowen and Lindhal Models, Ability to pay Principle Administrative Efficiency, Application of Taxation Principles in Developing Countries, Meaning, Types and Measurement of Taxable Capacity.

Unit III: Impact and Incident of Taxes – Meaning of Impact and Incidence, Distinction Between Impact and Incidence, Types of Incidence, Theories of Shifting Incidence, Shifting of Tax Incidence under Different Market Conditions.

Unit IV: Public Expenditure – Wagner's Law, Wiseman – Peacock Hypothesis, Pure Theory of Public Expenditure, Social Cost – Benefit Analysis.

Unit V: Public Debt – Classical, Keynesian and Post – Keynesian Approaches of Public Debt, Classification of Public Debt, Burden of Public Debt, Public Debt Management, Repayment of Public Debt.

Suggested Books:

Text Book:

1. Richard A. Musgrave, Public Finance in Theory and Practice McGraw Hill Book Company, New York.

Reference Books:

1. Buchaman, J.M. The Public Finances, Richard D. Irwin, Homewood.

2. Jha H. (1998), Modern Public Economics, Routledge, London.

3. Singh. S.K. Public Finance in Development and Developing Countries, S. Chand and Company Ltd., New Delhi.

4. Hemlata Rao Fiscal Fedralism – Issues and Policies, New Century Publications, New Delhi.

5. Atkinson A. B. And J.E. Siglitz (1980), Lectures on Public Economics, Tata McGraw Hill, New Delhi.

6. Reports of Ministry of Finance, Government of India on Budgets.

Elective: BANKING
(Choose any Two)

1. ADVANCED BANKING

Unit – I: Central Banking Concept – Central Banking Policy in Developed and Developing Economics – Functions – Note Issues – Banker to the Government; Banker to Commercial Banks – Credit Control – Techniques – Structure and Organization of RBI – Role of RBI as Central Bank.

Unit – II: Structure and Organisation of Central Bank in USA and UK – Objectives and Techniques of Central Banking Policy in Developed and Less Developed Countries – A Critical Study of Theory and Practice of Central Banking in USA and UK.

Unit – III: Development of Commercial Banking in UK, USA and India – Study of Nature and Structure of Commercial Banking in India and Abroad – Theories of Asset Management of Commercial Banks, Recent Developments in Commercial Banking in USA, UK and India. A Study of Money and Capital Markets in UK, USA and India.

Unit – IV: Economic Stabilization Policy – Objectives of Monetary Policy – Choosing Between Conflicting Objectives – Monetary Policy and Economic Stabilization – Fiscal Policy and Economic Stabilization – Interdependence of Monetary and Fiscal Policies – Debt Management Policy.

Unit –V: Financial Sector Reforms in India – Need for Reforms – Major Reforms After 1991 – Issues and Impact of Financial Reforms.

***Suggestive Books**:*

1. Hawtrey “The art of Central Banking “ Augustus M.Kelley Publishers, 1970 – New York.
2. Narendra Kumar – Bank Nationalism of India – A Symposium – Lalvani Publishing House, 1969 – Mumbai.
3. Pai Panandikar & N C Mehra – Rural Banking – National Institute of Bank Management – Mumabi.
4. Vasant Desai – Indian Banking – Nature and Problems – Himalaya Publications House – Mumbai.
5. Benjamin H Bankhurt – Banking Systems – Times of India Press – Mumbai.
6. Charless L Prather – Money & Banking – Richard.D.Irwin Inc. – Illinois
7. Mongia J.N. – Banking Around the world – Allied Publishers Pvt Ltd., Mumbai.
8. Bhole, L.M – Financial Institutions and Markets, Tat McGraw – Hill Publishing Company Limited, New Delhi, 2004.
9. Khan, M.Y – Indian Financial System, Tat McGraw Hill Publishing Company Limited, New Delhi, 2004.

2. BANK FINANCIAL MANAGEMENT

Unit – I: CONCEPTUAL FRAMEWORK: Overview of Financial System – Introduction to Financial Management in Banks – Financial Analysis of Banks.

Unit – II: MANAGEMENT OF FUNDS: SOURCES: - Management of Owned Funds – Management of Borrowed Funds – Cost of Funds.

Unit – III: MANAGEMENT OF FUNDS: INVESTMENTS: Forms of Bank Investment – Long-term Investment – Short-term Investments – Investments in Guilds and other Financial Securities – Investment in Foreign Exchanges.

Unit – IV: RISK MANAGEMENT: Risk Management: An Overview – Estimating/Forecasting of Risks – Measuring Risks – Management of Risks – Asset-Liability Management.

Unit – V: SPECIAL ISSUES: Mergers and Acquisitions – Accounting Policies – Pricing of Bank Products & Services.

Suggested Books:

1. Edminister R.D, Financial Institution, Markets and Management.
2. Verma J.C. A manual of Merchant Banking.
3. Hawtrey "The art of Central Banking " Augustus M.Kelley Publishers, 1970 – Newyork.
4. Vasant Desai – Indian Banking – Nature and Problems – Himalaya Publications House – Mumbai.
5. Khan, M.Y – Indian Financial System, Tat McGraw Hill Publishing Company Limited, New Delhi, 2004.
6. Narendra Kumar – Bank Nationalism of India – A Symposium – Lalvani Publishing House, 1969 – Mumbai.
7. A.V. Rajwade, Foreign Exchange, International Finance and Risk Management, Academy of Business Studies, New Delhi.

3. Non-Banking Financial Companies

Objective: To acquaint the student with the different types of NBFCs and their contribution to the overall development of the Indian financial system.

Unit I: The Nature and role of Financial system – Structure of Financial System in India-An overview of Indian Financial System.

Unit II: Nature and categories of NBFCs-Importance of NBFCs-Structure and growth of NBFCs in India.

Unit III: Regulatory Framework of NBFCs in India-Role of RBI.

Unit IV: Progress and Problems of NBFCs – Leasing companies, Hire-purchase Finance Companies, Housing Finance Company, Investment Company, Loan Company, Mutual Benefit Financial Companies, Miscellaneous Non-Banking Company & Residuary Non-Banking Companies.

Unit V: Non-Bank Financal Services Companies-Merchant Banks-Venture Capital Funds-Credit Rating Agencies.

Suggested Books:

Text Book:

1. Bhole. LM. Financial Institutions and Markets, Structure, Growth and Innovtions, Tata McGraw-Hill Publishing Company Ltd. New Delhi.

Reference Books:

1. Srivatsava, RM, Management of Financial Institutions, Himalaya Publishing Company Ltd., Mumbai.

2. Khan, MY, Indian Financial System, Tata McGraw Hill Publishers, New Delhi.

3. Vasant Desai, Financial Markets & Services, HPH, Mumbai.

4. RURAL BANKING

Objective: To expose the students with the functioning of rural credit institutions in India along with the prospects and problems of financial inclusion including priority sector.

Unit I – Rural India: Demographic features-Economic features-Rural poverty-main causes and methods of measuring rural poverty-Rural Infrastructure-Rural Development Policy-Govt. policies and programmes-Economic Reforms and its impact on rural economy

Unit II-Financing Rural Development: Functions and policies of RBI and NABARD ;Rural Credit Institutions-Role and functions -Role of Information and Communication Technologies in rural banking- Regulation of Rural Financial Services;

Unit III-Financial inclusion: Concept and its role in inclusive growth- Micro credit, micro insurance scheme - Business Facilitators and Business Correspondents in rural financing-SHGs/NGOs, linkages with banking, latest guidelines of GOI and RBI

Unit IV-Priority Sector Financing and Govt. initiatives: Components of priority sector-RBI Guidelines; Government initiatives: Poverty alleviation programmes/Employment programmes/Production oriented programmes-Rural housing and Urban housing schemes under priority sector-Educational loans

Unit V-Problems and prospects of Rural Banking: Problems of rural branches of commercial banks and regional rural banks-emerging trends in rural banking-financing poor as bankable opportunity.

(Case Studies are compulsory)

Suggested Books:

1. Vasantha Desai, Indian Banking-Nature and Problems, Himalaya Publishing House, Mumbai
2. Khan, M.Y., Indian Financial System, Tata McGraw Hill Publishing Company Ltd., New Delhi
3. Pai Panandikar & NC Mehra, Rural Banking, National Institute of Bank Management, Pune
4. Guruswamy, S., Banking in the New Millenium, New Century Publications, New Delhi
5. Uppal RK, & Rimpi Kaur, Banking Sector Reforms in India, New Century Publications, New Delhi
6. Indian Institute of Banking & Finance, Rural Banking, Mumbai
7. Uppal RK & Pooja, Transformation in Indian Banks-Search for better tomorrow, Sarup Book Publisher Private Ltd., New Delhi
8. Shyam Ji Mehrotra, New Dimensions of Bank Management, Skylark Publications, New Delhi

FOURTH SEMESTER

CP:1 COMPUTER APPLICATIONS IN ACCOUNTING

Unit – I: Introduction to Computerised Accounting: Significance of Computerized Accounting – Advantages – Disadvantages – Computerised General Ledger System – Spreadsheet Software and Its Applications – Different Software Available in the Market Advantages – Disadvantages.

Unit – II: Accounting Software Tally (Ver. 7.2): Characteristics of the Software – Creation of a Company – Security Control – Configuration – Accounts Information – Creation of Ledgers – Vouchers – Types of Vouchers – Cost Center Budgets – Balance Sheet – Alteration of Vouchers – Audit – Trial – P & L a/c – Ratio Analysis – Security – Limitations of Tally – Short Cut Keys.

(Lab – with practicals)

Unit – III: Tally's Forte (Reports): Displaying Reports – Characteristics – Objectives – Printing Reports – Display Account Books – Display Statement of Bank Reconciliation of Bank Accounts – Display Inventory Reports – Expert Usage. (Lab – with practicals)

Unit – IV: Inventory Handling Using Tally Ver 7.2 – A Practical Approach: Creation of Stock Groups – Creation of Stock Categories – Creation of Stock Items – Creation of Godown – Creation of Units of Measure – Inventory Vouchers. (Lab – with practicals)

Unit – V: Accounts of Banking Companies and Departmental Accounting: Objectives – Characteristics – Advantages – Disadvantages – Preparation of Accounts Using Tally in Departmental Accounts – Usefulness in Banks – Ledger Preparation – Guidelines of RBI for Profit & Loss Account – Expert Usage. (Lab – with practicals)

Suggested Books:

1. Computers and Common Sense, Robert Hunt & John Shelly, Prentice Hall of India, New Delhi.

2. Computers and Information Management, S.C. Bhatnagar, K.V. Ramani, Prentice Hall of India, New Delhi.

3. Management Information Systems and Data Processing, Bently, Holt, Rinehart and Winston.

4. Principles of Data Base Management, Martin, Prentice Hall of India, New Delhi.

5. Introduction of Systems Software, Dhandhere, Tata-Mc Grawhill Publications, New Delhi.

6. Accounting Systems, M. Sulochana, K. Kameswara Rao & R. Kishore Kumar, Kalyani Publishers, Hyderabad.

Elective: ACCOUNTING
(Choose any Two)

1. STRATEGIC COST MANAGEMENT

Unit – I: Cost Management – Nature and Scope – Management of Value Chain – Tools of Cost Management. Product Costing Systems – Concepts and Design Issues.

Unit – II: Activity Based Costing System – Meaning and Scope – Limitations of Traditional Costing Allocation Methods – Application of ABC System – Activity – Based Management – Concept and Scope – Target Costing – Benchmark Costing.

Unit – III: Quality Cost Systems – Meaning and Application – Conflict Between Quality and Cost – Trade–off Between Quality and Price – Value Analysis – Life Cycle Costing – Learning Curve Analysis – JIT.

Unit – IV: Cost Estimation – Methods – Costing Engineering – Using Regression Analysis – Evaluating Performance – Variance Analysis – Kaizen Costing.

Unit – V: Cost Control and Cost Reduction – Managerial and Technical Aspects – Meeting the Cost Reduction Challenges Role of Cost Accountant.

Suggested Books:

1. 'Cost Management' – Strategies for Business Decisions HILTON, MAHER and SELT, Tata McGraw Hill, II ed. 2002.

2. 'Cost Accounting' – Principles and Practice, B.M.Lall Nigam, Prentice Hall of India.

3. Cost Accounting: Theory and Practice, Bhabatosh Benarjee, Prentice Hall of India.

4. 'Principles of Quality Costs' Principles, Implementation and Use Jack Companella, Prentice Hall of India Pvt. Ltd. 2000 (3rd Ed.)

'Cost Accounting' – Jain and Narang.

'Cost Accounting' – A Managerial Emphasis' Chrles Tn Horngren.

'Cost Accounting' – B. Benerjee, World Press, Calcutta.

MANAGEMENT CONTROL SYSTEMS

Unit -I: Management Control: Objectives- Basic Concepts- The Formula Control Systems, Characteristics of Management Control Systems- Inter Relationship Among Strategic Planning, Management Control and Operational Control – Designing and Introduction of Management Control System – Management Control System and Responsibility Accounting -Informal Management Controls.

Unit -II: Structure of Management Control : Need for Delegation- Responsibility Centers – Expense Centers -Revenue Centers – Profit Centers- Investment Centers, Research and Development Centers – Administrative and Support Centers – Performance of Expense Centers – Revenue Centers – Profit Centers – Investment centers – Organizational Structure of Responsibility Centers – Transfer Pricing – Objectives – Methods – Pricing Corporate Services and Administration of Transfer Prices.

Unit -III: Management Control Process: Strategic Planning – Nature, Analysis of New Programmes – Ongoing Programmes – Strategic Planning Process – Programming and Budgeting – Budget Preparation Process; Performance Evaluation – Performance Evaluation Systems Interactive Control – Analysing and Reporting – Types of Reports – Report Preparation MIS –MIS & Computers.

Unit -IV: Special Applications: Controls for Differentiated Strategies – Corporate Strategy – Strategic Business Unit Concept – Top Management Style – Management Control in Service Organizations; Professional Services – Financial Services – Healthcare Service Organizations – Management Control in Non-profit Organizations – Characteristics – Measuring Output – Pricing Management Structure – Control in NPOs.

Unit -V: Management Control in Multinational and Multi project Corporations (MNCs): Objectives, Characteristics, Performance Measurement of Subsidiaries Reporting System – Need for MIS Between Parent and Subsidiary Companies – Structure of Multi Project Organization – Characteristics, Project Planning and Control Techniques, Control Indicators in Multi Project Organizations.

Suggested Books:

1. Management control Systems – Robert Anthony and Vijay Govindarajan Tata – McGrawhill publishing Company, New Delhi.
2. Management Control Systems, N. Ghosh, Prentice Hall of India.
3. Management information and control systems – Dr. Sushila Madan. Taxmann Allied Services Pvt. Ltd., New Delhi.
4. Management Control systems Text and Cases – Subhash Sharma Tata- McGrawhill publishing Company, New Delhi.

Elective: Accounting: 3 FINANCIAL STATEMENT ANALYSIS

Unit-I Financial Statements Analysis – Introduction – Nature – Objectives – Types of Financial Statement Analysis – procedure – Methods/ Devices – Comparative Statements – Trend Analysis – Common Size Statements

Unit-II The Gabelli Utility Trust - Balance Sheet - Financial Condition, Assets and Liabilities - Stockholders' Equity - Income Statement - Statement of Retained Earnings - Statement of Shareholders' Equity - Earnings Quality – Inflation

Unit-III Ratio Analysis – Introduction – Nature and Significance – Classification – Position Statement Ratios - Revenue/ Income Statement Ratios – Inter-Statement Ratios – Du Pont Control Chart

Unit-IV Statement of Changes in Financial Position – Funds Flow Statement – Introduction – Meaning & Concept – Current and Non-Current Accounts – Uses, Significance and Importance – Procedure for preparing for a Funds Flow Statements – Changes in Working Capital – Depreciation as a Source of Funds

Unit-V Cash Flow Statement - Introduction – Classification of Cash Flows – Treatment of Some Typical Items – Format of Cash Flow Statement - Procedure for preparing for a Cash Flow Statements – Methods of Calculating Cash Flows from Operating Activities

References

1. Management Accounting Advanced Management Accounting By Ravi M.Kishore – Taxman Publication
2. Kaplan & Atkinson, Advanced Management Accounting, Prentice Hall of India – 1999
3. S.n.Maheswari – Management Accounting, Sultan Chand, New Delhi – 1998.
4. V.K.Saxana & C.D.Vashist, Advanced Cost of Management Accounting, Sultan Chand & Sons, New Delhi, 1998.
5. Dr.Manmohan & S.N.Goyal, Principles of Management Accounting Shakithabhavan Publication, Agra,
6. R.L. Gupta and M. Radhaswamy, Advanced Accountancy Sultan Chand & Sons, New Delhi.

Elective: Accounting: 4 ACCOUNTING FOR PUBLIC UTILITIES

Unit – I Concept of Public utilities – Origin, Objectives and Special Features - Accounting concept, American concept, types of Public utility regulations - Capital Account and General Balance Sheet - Treatment of Capital Losses, Depreciation, Extensions, Replacement etc. - Application of the System to Different Enterprises Practical Problems

Unit-2 Rate making in public utilities - Rate level and rate structure - Meaning and distinction, determination of rate level, determination of rate structure. Marginal cost pricing. Rate making in Electricity Undertaking.

Unit – 3 Public utilities in India – Forms of organization, Post and telegraph services, Radio and television- Air organisation, T.V. services in India. Autonomy for Radio and T.V. Prasar Bharti.

Unit – 4 Working of SEB's, salient features of electricity supply Act, Electricity rate schedules, consumer categories.

References

1. Barnes I.R. – Economics of Public Utility regulation.
2. Sleeman J.F. – British Public Utilities.
3. 5. Hanson A.H. – Public Enterprises and Economics Development.
4. Ramanadhan V.V. – The structure of Public Enterprises in India.
5. Gupta K.R. – Issues on Public Enterprises.
6. Centre for Public Sector Studies – Profitability Accountability and Social Responsibility of Public Enterprises.
7. Khera S.S. – Government in Business.
8. Maheshwari R.K. – Electricity Rate Making and Tariff Regulations.

Elective: FINANCE
(Choose any Two)

1. SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Unit – I: Concept of Investment, Investment Vs Speculation, and Security Investment Vs Non-security Forms of Investment. Investment Process; Sources of Investment Information. Security Markets – Primary and Secondary – Market Indices.

Unit – II: Return and Risk – Meaning and Measurement of Security Returns. Meaning and Types of Security Risks, Systematic Vs Non-systematic Risk. Measurement of Total Risk.

Unit – III: Fundamental Analysis – Economy, Industry and Company Analysis, Intrinsic Value Approach to Valuation of Bonds, Preference Shares and Equity Shares.

Unit – IV: Technical Analysis – Concept and Tools of Techniques Analysis – Technical Analysis Vs Fundamental Analysis. Efficient Market Hypothesis; Concept and Forms of Market Efficiency.

Unit – V: Elements of Portfolio Management, Portfolio Models – Markowitz Model, Sharpe Single Index Model and Capital Asset Pricing Model. Efficient Frontier and Selection of Optimal Portfolio. Performance Evaluation of Portfolios; Sharpe Model – Jensen's Model for PF Evaluation.

Suggested Books:

1. Donald E. Fischer, Ronald J. Jordan, Security Analysis and Portfolio Management; Prentice Hall of India.
2. Prasanna Chandra, Investment Analysis and Portfolio Management, Tata McGraw Hill.
3. S. Kevin, Security Analysis and Portfolio Management, Prentice Hall of India.
4. S. Kevin, Portfolio Management, Prentice Hall of India.
5. J.C. Francis, Investments – Analysis and Management, McGraw Hill Int.
6. Elton, EJ & Grober, MJ, Modern Portfolio Theory and Investment Analysis, John Wiley.
7. Avadhani, VA, SAPM, Himalaya Publishers.
8. Bhalla, VK Investment Management, S Chand.
9. Punitavathy Pandian, SAPM, Vikas.
10. Preeti Singh, Investment Management, Himalaya Publishers.

2. FINANCIAL DERIVATIVES

Unit - I: Introduction to Financial Derivatives – Meaning and Need – Growth of Financial Derivatives in India – Derivative Markets – Participants- Functions – Types of Derivatives – Forwards – Futures – Options-Swaps – The Regulatory Framework of Derivatives Trading in India.

Unit - II: Features of Futures –Differences Between Forwards and Futures – Financial Futures – Trading – Currency Futures – Interest Rate Futures – Pricing of Future Contracts-Value at Risk (VaR)-Hedging Strategies – Hedging with Stock Index Futures – Types of Members and Margining System in India – Futures Trading on BSE & NSE.

Unit - III: Options Market – Meaning & Need – Options Vs Futures -Types of Options Contracts – Call Options – Put Options- Trading Strategies Involving Options – Basic Option Positions – Margins – Options on Stock Indices – Option Markets in India on NSE and BSE.

Unit - IV: Option Pricing – Intrinsic Value and Time Value- Pricing at Expiration – Factors Affecting Options pricing- Put-Call Parity Pricing Relationship- Pricing Models - Introduction to Binominal Option Pricing Model – Black Scholes Option Pricing Model.

Unit – V: Swaps – Meaning – Overview – The Structure of Swaps – Interest Rate Swaps – Currency Swaps – Commodity Swaps – Swap Variant – Swap Dealer Role –Equity Swaps – Economic Functions of Swap Transactions - FRAs and Swaps.

Suggested Books:

1. Hull C. John, "Options, Futures and Other Derivatives", Pearson Educations Publishers,
2. David Thomas. W & Dubofsky Miller. Jr., Derivatives valuation and Risk Management, Oxford University, Indian Edition.
3. ND Vohra & BR Baghi, Futures and Options, Tata McGraw-Hill Publishing Company Ltd.
4. Red Head: Financial Derivatives: An Introduction to Futures, Forward, Options" Prentice Hall of India.
5. David A. Dubofsky, Thomas W. Miller, Jr.: Derivatives: Valuation and Risk Management, Oxford University Press.
6. Sunil K.Parameswaran, "Futures Markets: Theory and Practice" Tata-McGraw-Hill Publishing Company Ltd.
7. D.C. Patwari, Financial Futures and Options, Jaico Publishing House.
8. T.V. Somanathan, Derivatives, Tata McGraw-Hill Publishing Company Ltd.
9. NSE Manual of Indian Futures & Options & www. Sebi.com
10. S.C. Gupta, Financial Derivatives: Theory, Concepts and Problems, Prentice Hall of India.

3. TREASURY MANAGEMENT

Objective: To provide an insight into Treasury Management practices in India.

Unit I: Treasury Management: Objectives of Treasury, Structure and Organization, Functions of a Treasurer, Responsibility of a Treasurer.

Unit II: Liquidity Management Concept, importance and objectives-Liquidity planning-Liquidity flow cycle-Cash budgeting and forecasting-sources of liquidity.

Unit III: Treasury operations: Treasury Instruments-CRR/CCIL/RTGs-objectives, sources and deployment, internal control, Netting-Cost centre/Profit centre, integrated treasury, planning and control, Risk analysis.

Unit IV: Treasury and investment policy.

Unit V: Role of IT in treasury management-Regulation and companies-Internal and External Audit.

Suggested Books

Text Book:

1. Indian Institute of Bankers, Treasury, Investment and Risk Management.

Reference Books.

RBI and Government of India Publications.

4. INTERNATIONAL FINANCIAL MANAGEMENT

Objective: to enlighten the students with the Concepts and Practical applications of International Financial Management.

Unit I : International Monetary and Financial System: Evolution; Breton Woods Conference and Other Exchange Rate Regimes; European Monetary System, South East Asia Crisis and Current Trends.

Unit II : Foreign Exchange Risk: Transaction Exposure; Accounting Exposure and Operating Exposure – Management of Exposures – Internal Techniques, Management of Risk in Foreign Exchange Markets: Forex Derivatives – Swaps, futures and Options and Forward Contracts (Cases).

Unit III : Features of Different International Markets: Euro Loans, CPs, Floating Rate Instruments, Loan Syndication, Euro Deposits, International Bonds, Euro Bonds and Process of Issue of GDRs and ADRs.

Unit IV : Foreign Investment Decisions : Corporate Strategy and Foreign Direct Investment; Multinational Capital Budgeting; International Acquisition and Valuation, Adjusting for Risk in Foreign Investment.

Unit V : International Accounting and Reporting; Foreign Currency Transactions, Multinational Transfer Pricing and Performance Measurement; Consolidated Financial Reporting.

(Case Studies are Compulsory)

Suggested Books:

1. Buckley Adrin, Multinational Finance, 3rd Edition, Engle Wood Cliffs, Prentice Hall of India.
2. S.P.Srinivasan, B.Janakiram, International Financial Management, Wiley India, New Delhi.
3. Clark, International Financial Management, Cengage, ND
4. V.Sharan, International Financial Management, 3rd Edition, Prentice Hall of India.
5. A.K.Seth, International Financial Management, Galgothia Publishing Company.
6. P.G.Apte, International Financial Management, Tata McGrw Hill, 3rd Edition.
7. Bhalla, V.K., International Financial Management, 2nd Edition, New Delhi, Anmol, 2001.
8. V.A.Avadhani, International Financial Management, Himalaya Publishing House.
9. Bhalla, V.K., Managing International Investment and Finance, New Delhi, Anmol, 1997.

Elective TAXATION
(Choose any Two)

1. VAT AND SERVICE TAX

Unit – I: A.P. VAT Act, 2005 – Basic Concepts – Salient Features of VAT – Incidence of VAT – Exempted Goods.

Unit – II: Registration of Dealers – Determination of Taxable Value – Calculation of VAT Payable.

Unit – III: Procedure and Administration of the Act - Maintenance of Books of Accounts by Dealers – Assessment Procedure.

Unit – IV: Service Tax: Nature of Service Tax - Service Provider and Service Receiver, Individual Service, CENVAT Vs. Service Tax – Exemptions.

Unit – V: Procedures of Service Tax: Registration, Maintenance of Records, Payment of Service Tax, Taxable Services – Computation of Service Tax.

Suggested Books:

1. Kul Bhushan, How to deal with VAT, Pearson Education, Pvt. Ltd., New Delhi.

2. A.P. VAT Bill, 2005, Govt. of A.P. Commercial Taxes Department.

3. V.S. Datey, Indirect Taxes Law and Practice, Taxman Publications Pvt. Ltd., New Delhi.

2. TAX PLANING AND MANAGEMENT

Unit – I: Introduction: Tax Planning and Management – Tax Avoidance, Tax Planning, Tax Evasion – Tax Evasion in India – Measures of the State for Tax Evasion.

Unit – II: Tax Planning for Salaried Persons.

Unit – III: Tax Planning for Firms and HUF.

Unit – IV: Tax Planning for Companies.

Unit – V: Tax Planning for Small Business.

Suggested Books:

1. Dr. V.K. Singhnia & Dr. Kapil Singhania, Direct Taxes Law and Practice, Taxman Publications Pvt. Ltd., New Delhi.

2. Bhagavati Prasad, Direct Taxes Law and Practice, Wishwa Prakashan, New Delhi.

3. EXCISE DUTY

Unit-I Taxation under Constitution in India – Indirect Taxes – Features – Administrative Set up of Central Excise – Constitutional Background of Central Excise – Overview of Central Excise Act – Central Excise Tariff Act,1985 (CETA)

Unit-II Manufacture and Manufacturer – Definition of Manufacture - Definition of Manufacturer - Manufacturer-Other Aspects - Sales Exempt from Central Sales Tax, Interstate and Intra state sale, sales in the course of imports and exports, registration under CST Act.

Unit-III Nature of Excise Duty - Types of Excise Duties – Excisable Goods – Classification of Goods – Rules for Interpretation of Tariff – GIR Tariff –Trade Parlance Theory

Unit-IV Valuation of Goods – Methods & Techniques of Valuation – Captive Consumption – Refund & Other Important Provisions – Levy, Collection & Exemptions from Excise Duty - Assessment under Central Excise Law

Unit-V Warehousing – Export Benefits and Procedures – Excise on Small Scale Industries – Procedural Aspects under Central Excise Duty – Other Procedures in Central Excise

References

1. Central Excise Manual and Central Excise Tariff- Taxman's
2. CENVAT Law and Procedure- Taxman's
3. Income Tax Law including VAT/Service Tax- T N Manoharan, Snow White Publications
4. Direct taxes Law & Practice – Vinodh Singhania, Kapil Singhania, Taxman.
5. Direct Taxes- H C Mehrotra and Goyal, Sahithya Bhavan Publications.
6. Direct Taxes- Gaur and Narang, Kalyani Publishers, Ludhiana.

4. FISCAL POLICY

Objective : The main objective is to familiarize the students with different components of fiscal policy with special reference to India.

Unit-I: Fiscal Policy – Meaning – Features and Importance – Objectives of Fiscal Policy – Allocation – Distribution – Stabilization – Full Employment.

Unit-II Fiscal Policy – Tools – Public Revenue - Public Expenditure – Public Debt.

Unit-III : Public Revenue – Tax and Non-tax revenue – Classification different taxes.

Unit-IV : Budgets – Central and State Government budgets – Fiscal Responsibility and Budget Management Act - Deficit financing.

Unit-V: Fiscal Policy Impact on Business Savings and Investment – High Corporate Tax – Tax Incentives for Investment – Depreciation – Internal Finance – Impact of Indirect Taxes on Business

References

1. Richard A. Musgrave, Public Finance in Theory and Practice McGraw Hill Book Company, New York.

Reference Books:

1. Buchaman, J.M. The Public Finances, Richard D. Irwin, Homewood.

2. Jha H. (1998), Modern Public Economics, Routledge, London.

3. Singh. S.K. Public Finance in Development and Developing Countries, S. Chand and Company Ltd., New Delhi.

4. Hemlata Rao Fiscal Fedralism – Issues and Policies, New Century Publications, New Delhi.

5. Atkinson A. B. And J.E. Siglitz (1980), Lectures on Public Economics, Tata McGraw Hill, New Delhi.

6. Reports of Ministry of Finance, Government of India on Budgets.

Elective: Banking
(Choose any Two)

1. FINANCIAL INSTITUTIONS

Unit – I: Origin – Concept – Definition – Structure – Role of Financial Institutions.

Unit – II: Non-Bank Financial Companies – Introduction – Concept – Definition – Scope and Meaning – Role.

Unit – III: NBFCs – Structure – Growth – Regulation of NBFCs.- An Overview of the Present Position of NBFCs.

Unit – IV: Non – Bank Statutory Financial Organisations – Concept – Structure – Nature, Functions and Role of NBSFOs.

Unit – V: Financial Performance of Non-Banking Statutory Financial Organisations – Investment Pattern – Strengthening of NBFCs. – Reforms in NBSFOs.

Suggested Books:

1. Bhole, L.M – Financial Institutions and Markets, Tat McGraw – Hill Publishing Company Limited, New Delhi, 2005.

2. Khan, M.Y – Indian Financial System, Tat McGraw Hill Publishing Company Limited, New Delhi, 2004.

3. Indian Banks Association, Indian Banking Year Book 2004, Mumbai, 2005.

4. RBI, Report on Trends and Progress of Banking in India, various issues, Mumbai.

2. BANKING AND TECHNOLOGY

Unit – I: IT IN BANKING: AN INTRODUCTION: - Information Technology and Its Implications – Information Technology – Indian Banking Scenario – Initiatives and Trends.

Unit – II: IT APPLICATIONS IN BANKING: Computer-based Information System for Banking – Electronic Banking – Electronic Fund Management.

Unit – III: ENABLING TECHNOLOGIES OF MODERN BANKING: Electronic Commerce and Banking – Supply Chain Management – Customer Relationship Management – Integrated Communication Networks for Banks.

Unit – IV: SECURITY AND CONTROL SYSTEMS: Computer Security and Disaster Management – System Audit and Computer Crime – Security and Control Aspects of Emerging Banking Technologies.

Unit – V: PLANNING AND IMPLMENTATION OF INFORMATION SYSTEM: Security and Control Aspects of Emerging Banking Technologies – Data Warehousing and Data Mining – Designing and Implementing Computerization in Banking Sector.

Suggested Books:

1. Hawtrey "The art of Central Banking " Augustus M.Kelley Publishers, 1970 – Newyork.

2. Vasant Desai – Indian Banking – Nature and Problems – Himalaya Publications House – Mumbai.

3. Khan, M.Y – Indian Financial System, Tat McGraw Hill Publishing Company Limited, New Delhi, 2004.

4. R.G. Murdick, J.E. Ross and J. R. clagget, Information systems for modern management, PHI.

5. Charlie Kaufman, Radia Perlman and Mike Speciner, Network Security – Private Communication in a Public World, Pearson / PHI.

6. Steve Hedley – Statutes on IT & E-Commerce, Oxford University Press.

3. INTERNATIONAL BANKING

Objective: To enable the students familiarising with functions and performance of international financial institutions and operational mechanism of foreign exchange market in India.

Unit I: International Banking: Global trends and developments in International banking-International Financial Centres, Offshore Banking Units, SEZs-International Financial Institutions: IMF;, IBRD, BIS, IFC, ADB-Legal and Regulatory aspects of international banking.

Unit II: International Finance: Fundamental principles of lending to MNCs; International Credit Policy Agencies and Global Capital Markets; Methods of raising equity and debt resources through ECBS, ADRs/GDRs, ECCBS and other types of Bonds,etc in international markets;

Unit III: Project and Infrastructure Finance-Investments both in India and abroad, joint ventures abroad by Indian Corporates, investment opportunities abroad for resident Indians; Financing of mergers and acquisitions.

Unit IV: Framework of Foreign Exchange: Sources and Uses of Foreign Exchange-Balance of Payments; Foreign Exchange Market Mechanism-Different types of exchange rates, exchange rate determination, convertibility of Indian Rupee; Role of Banks in Forex markets-Functions of a Forex Dept, maintenance of foreign currency accounts.

V: Forex Business: Foreign Exchange Management Act (FEMA) and its philosophy; Role of RBI and FEDAI in regulating foreign exchange business of banks/other authorised dealers-NRI customers and various banking and investment products available to them under FEMA.

(Case Studies are compulsory)

Suggested Books:

1. Jeevanandam C., Foreign Exchange, Practice, Concepts & Control, Sultan Chand & Sons, New Delhi
2. Chaudhuri BK & Agarwal OP, Foreign Trade & Foreign Exchange, Himalaya Publishing House, Mumbai
3. Apte PG, International Financial Management, Tata McGraw Hill Publishing Company Ltd., New Delhi
4. Rajwade AV, Foreign Exchange, International Finance & Risk Management, Academy of Business Studies, New Delhi
5. Indian Institute of Banking and Finance, International Banking, Mumbai

4. CENTRAL BANKING

Objective: To familiarise the students with the functions and performance of Central banks in general and Central banks in USA, UK, European Union and India in particular.

Unit I: Evolution and Functions of Central Banking-Development of Central Banks in Developed and Developing countries.Functions of a Central Bank-Regulatory and Developmental functions

Unit II Central Banking in USA, UK and, European Union-Organisational evolution, Constitution and Governance-Role, functions and performance-Recent Developments

Unit III: Reserve Bank of India:Organisational evolution, constitution and governance, major organizational and functional developments over time-RBI Act, Banking Regulation Act, Foreign Exchange Management Act, Banking Ombudsman Scheme, Financial Sector Reforms-Recent Developments

Unit IV: RBI and Supervision of Indian Financial System: Constituents of Indian Financial Markets and their Regulation-Evolution of Bank Regulation and supervision.

Unit V: RBI and Financial Stability: Financial Development Vs. Financial Stability, Risks to Financial Stability, Liquidity Management,Risk Management in Banks, The Basle Norms, Prudential Norms, Effect of liberalisation and Globalisation on Financial Stability.

(Case studies are compulsory)

Suggested Books:

1. Khan, M.Y. Indian Financial System, Tata McGraw Hill Publishing Company Ltd., New Delhi
2. Decock, MH, Central Banking, UBS Publisher Distributors Pvt. Ltd., New Delhi
3. Hawtrey, The Art of Central Banking, Augustus M Kelley Publishers, New York
4. Vasudevan A., Central Banking for Emerging Market Economies, Academic Foundation, New Delhi
5. Charles Albert Goodhart, Evolution of Central Banks: a natural development?,London School of Economics & Political Science, London
6. Indian Institute of Banking & Finance, Central Banking, Mumbai RBI , History and Evolution of Central Banking in India, Mumbai

A PROJECT ON

"COMAPARATIVE ANALYSIS OF MUTUAL FUNDS W.R.TO SECTORAL FUNDS"

With reference to

INDIABULLS SECURITIES LTD., Hyderabad

A Project Report submitted in Particular fulfillment of the requirement for the Award of the Degree of

MASTER OF COMMERCE

Submitted By

A CHANDRA KALA

(Regd. No: 121228906001)

Project Guide

Dr. V. NAGESWARA RAO, M.Com, M.Phil, Ph.D

Associate Professor

DEPARTMENT OF COMMERCE

Dr.V.S.KRISHNA GOVT. DEGREE & PG COLLEGE

(An Autonomous Institution Affiliated to Andhra University)

Reaccredited by NAAC with 'A' Grade (3rd Cycle)

Maddilapalem, Visakhapatnam-530013

Andhra Pradesh

2021-2023

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(An Autonomous Institution Affiliated to Andhra University)
Reaccredited by NAAC with 'A' Grade (3rd Cycle)
Maddilapalem, Visakhapatnam-530013., Andhra Pradesh

Ref: ***Date:……………***

CERTIFICATE

This is to certify that the Project report entitled **A STUDY ON** "**COMAPARATIVE ANALYSIS OF MUTUAL FUNDS W.R.TO SECTORAL FUNDS**" with reference to **INDIABULLS SECURITIES LTD., Hyderabad.** Is bonafied work carried out by **A CHANDRA KALA** with the registered No **121228906001** under the guidance of **Dr. V. NAGESWARA RAO,** Associate Professor in particular fulfillment of the requirements for the award of degree of **MASTER OF COMMERCE** by Andhra University, Visakhapatnam during the academic year **2021-2023**.

HEAD OF THE DEPARTMENT **PROJECT GUIDE**

SIGNATURE OF EXTERNAL

DECLARATION

I hereby declare that the Project report entitled **"**A study on **COMAPARATIVE ANALYSIS OF MUTUAL FUNDS W.R.TO SECTORAL FUNDS**" with reference to **INDIABULLS SECURITIES LTD., Hyderabad** has been prepared by me under the esteemed guidance of **Dr. V. NAGESWARA RAO,** Associate Professor**,** Department of Commerce, Andhra University, Visakhapatnam in partial fulfillment for the award of Master of Commerce.

The material in this report has not been submitted earlier to any organization or educational institution to the best of my knowledge for the award of any degree.

Place: Visakhapatnam **A CHANDRA KALA**

Date: Regd No: 121228906001

ACKNOWLEDGEMENT

I express my deep sense of gratitude to **Dr. I. VIJAYA BABU, Principal**, Dr.V.S.Krishna Govt. Degree & PG College, Maddilapalem who has given me permission to do the project work and had given valuable suggestions**.**

At the outset, I would like to express my gratitude to **Dr. Ch. VISHNU MURTHY,** HOD & Coordinator of PG M.Com, Dr.V.S.Krishna Govt. Degree & PG College for permitting me to take up this project at **INDIABULLS SECURITIES LTD., Hyderabad.**

My sincere thanks to my Project guide **Dr. V. NAGESWARA RAO** Associate Professor, Faculty member for his invaluable co-operation and suggestions at every stage of this project without who me this would not have been completed.

I owe my special thanks to **Mr. LALITH KUMAR Ch,** Manager of INDIABULLS SECURITIES LTD., Hyderabad for providing all the facilities and guiding me where ever necessary.

A CHANDRA KALA

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CHAPTER – I

INTRODUCTION

INTRODUCTION

Sectoral funds, which were a hit with mutual fund investors during the last Bull Run, are back in vogue and are being marketed as sector exchange traded funds or sector ETFs this year.

Sectoral funds invest in a particular sector of the economy. The performances of these funds are based on the success of those sectors in which they invest. On the other hand, the diversified equity funds can invest across various sectors and they can follow many themes, there is no restriction. The fund manager can invest a considerable portion of money in any particular sector or any theme if there is any opportunity available in a sector. Also a fund can move from one sector to the other sector and change its theme intermittently based on the changes in the market expectations.

The flexibility of moving from one sector/theme to the other sector/theme is not available with sectoral or thematic funds. Even if the fund manager of the sectoral/thematic fund thinks that, this particular sector/theme will not do well for the next couple of years, he is forced to remain invested in the same sector/theme.

Whereas the diversified fund manager can switch to another sector/theme, if the future outlook for a sector/theme change.

Several asset management companies are in the process of launching ETFs with sectors such as power & infrastructure, automobile, services, FMCG, metals and pharma as the underlying theme.

Those marketing these funds are hoping to raise a fair amount of funds through these schemes. Regular sectoral mutual funds have generated decent returns on their portfolios with banking funds, as a category, having generated 58% returns in one year. Pharma, FMCG and technology categories of sectoral mutual funds have yielded 50%, 46% and 36%, respectively, over a one-year period. On a wider scale, flexi-cap equity funds have returned 31% over the past one year.

“Sectoral ETFs deliver benefits in line with the performance of the underlying sector. It gives investors a cost-effective means to participate in sectors he or she is bullish on,” said Lakshmi Iyer, head, fixed income & products, Kotak Mutual Fund, which has plans to launch metals and some market cap-based ETFs in the coming months.

According to MsIyer, sectoral ETFs provide investors an easy way to transact on the exchange and avail themselves of the benefits of knowing the near real-time prices of their fund investments.

Benchmark Mutual Fund has sought Sebi approvals to launch six ETFs with IT, FMCG, services, energy, pharma and realty as the base themes. The ETFs will be marked against CNX IT, CNX FMCG, CNX Services Sector , CNX Energy, CNX Pharma and CNX Realty indices. The minimum investment for these schemes is Rs.10000 and in multiples of Re 1 thereafter. Apart from Benchmark, UTI, Edelweiss MF, Reliance Mutual and Religare Mutual have plans to launch sector ETFs in the near term.

According to senior officials at Benchmark, sectoral ETFs allow cost-effective portfolio diversification at one shot thereby reducing scrip-specific risk. It allows foreign portfolio investors and institutional investors to have wide sectoral exposure. Being listed on the exchanges — and in dematerialized format, ETFs can be traded without much of a hassle. Unlike sector-based mutual funds, there are no exit charges or loads on ETFs.

"ETFs are going to get larger in times to come. We're also open to the idea of sector ETFs and we're working on plans along the same lines," said Jaideep Bhattacharya, CMO, UTI Asset Management.

According to Mr.Bhattacharya, the coming months will see fund houses launching ETFs with specific regions or markets as the underlying theme.

While the industry is more or less gung-ho about launching sector ETFs, voices of dissent are being heard from wealth managers and in-vestment advisors.

"ETFs follow a passive investment strategy. There are several diversified equity funds that can generate better returns than ETFs. Only ac-tive fund management can add value to investor portfolios," said a Mumbai-based wealth manager on condition of anonymity. According to investment experts, exposure to a few sectors could in-crease risk on overall fund portfolios. Investors in sector-based funds and ETFs could suffer losses when outlook turns bleak or negative.

IMPORTANCE OF THE STUDY

Mutual funds provide a host of benefits which make them important. Let's look at the importance of mutual funds as listed below.

Convenience:

For investors, one of the most prominent benefits that mutual funds provide is convenience. By investing in a single fund, they can gain access to a broad range of the financial market. A typical diversified equity fund can spread out the money across tens of stocks with some portion invested in fixed income securities as well.

Diversification:

Further, if an investor wants to focus on one segment of the market, for instance, large-cap stocks, funds focused on this segment can spread out the investment across multiple large-cap stocks in just one transaction of purchasing the fund. If the investor were to try to do that themselves, it would take a lot of effort, transaction cost, and time to create an individual large-cap stock portfolio. The situation with investing in bonds is even more difficult if one tries to do it individually rather than taking the fund route.

Ease of Investment:

Apart from this, mutual funds are easy to buy and sell. One can either engage the services of a distributor or agent to transact in funds or do it over the internet themselves. In the case of latter, the transaction amount is debited from or comes directly to the bank account linked to the mutual fund account depending on whether a fund has been bought or sold.

Spoilt for Choice:

This feature follows from the convenience aspect discussed above. Investors have several choices when it comes to mutual funds. And given their investment objectives, funds provide access to a wide range of financial instruments, sectors, and strategies.

OBJECTIVES OF THE STUDY

- To understand the concept of mutual funds and sectoral funds.
- To study the selected funds performance based on weekly wise data starting from Monday.
- To give a brief idea about the benefits available from mutual fund investment.
- To discuss about the market trends of mutual funds investments.
- To understand the investment strategies followed by each company.

NEED FOR THE STUDY

- Mutual funds are dynamic financial intuitions which play crucial role in an economy by mobilizing savings and investing them in the capital market.
- The activities of Mutual funds have both short and long term impact on the savings in the capital market and the national economy.
- Mutual funds, trust, assist the process of financial deepening & intermediation.
- To banking at the same time they also compete with banks and other financial intuitions.
- India is one of the few countries today maintain a study growth rate is domestic savings.

SCOPE OF THE STUDY

The study is limited to the analysis made on two major types of schemes offered by banks. Each scheme is calculated in term of their risk and return using different performance measurement theories. The reasons for such performance in immediately analyzed in the commentary. Column charts are used to reflect the portfolio risk and return.

METHODOLOGY OF THE STUDY

HYPOTHESIS

The Market data that has been used to see whether the risk and return calculated can be used has an indicator to the investor to minimize the risk and maximize the returns on its investment.

METHODOLOGY:

For, the purpose of the study, the data collected from primary and Secondary has sanitized edited and presented in the form of tables and statements. The analysis of the data has been made with the help of certain mathematical techniques lie percentages etc. Where ever feasible and appropriate graphs and diagrams are used.

The collection of data is done through two principles sources viz

1. Primary Data
2. Secondary Data

PRIMARY DATA:

It is the information collected directly without any reference. In the study, it mainly interviews with concerned officers and staff either individually or collectively. Some of the information had been verified or supplemented with personal observation, the data collected through conducting personal interview with the officer of the India bulls.

SECONDARY DATA:

The data that is used in this project is of secondary nature. The data has been collected from secondary sources such as various websites, journals, newspapers, books, etc.

METHOD OF STUDY:

The data collected for the two sectors are of three months data i.e., Dec 2021 – Jan 2022. The data for study purpose is taken on weekly basis .The data taken into consideration is every Monday

SOURCE OF DATA:

The data for the study is from secondary source collected from websites and Economic Times.

LIMITATIONS OF THE STUDY

- The study is conducted for short period, due to which the study may not be detailed in all aspects.
- The study is limited only to the analysis of different schemes and its suitability to different investors according to their risk-taking ability.
- The study is based on secondary data available from monthly fact sheets, web sites, offer documents, magazines and newspapers etc. as primary data was not accessible.
- The study is limited by the detailed study of various schemes.

CHAPTER – II

INDUSTRY PROFILE

&

COMPANY PROFILE

INDUSTRY PROFILE

The process of economic liberalization in India began in 1991. As part of this process, several capital market reforms were carried out by the capital market regulator Securities and Exchange Board of India. One such measure was to allow trading in equities-based derivatives on stock exchanges in 2000. This step proved to be a shot in the arm of the capital market and volumes soared within three years.

The success of the capital market reforms motivated the government and the Forward Market Commission (the commodities market regulator) to kick off similar reforms in the commodities market. Thus almost all the commodities were allowed to be traded in the futures market from April 2003. To make trading in commodity futures more transparent and successful, multi-commodity exchanges at national level were conceived and were allowed to start futures trading in commodities on-line.

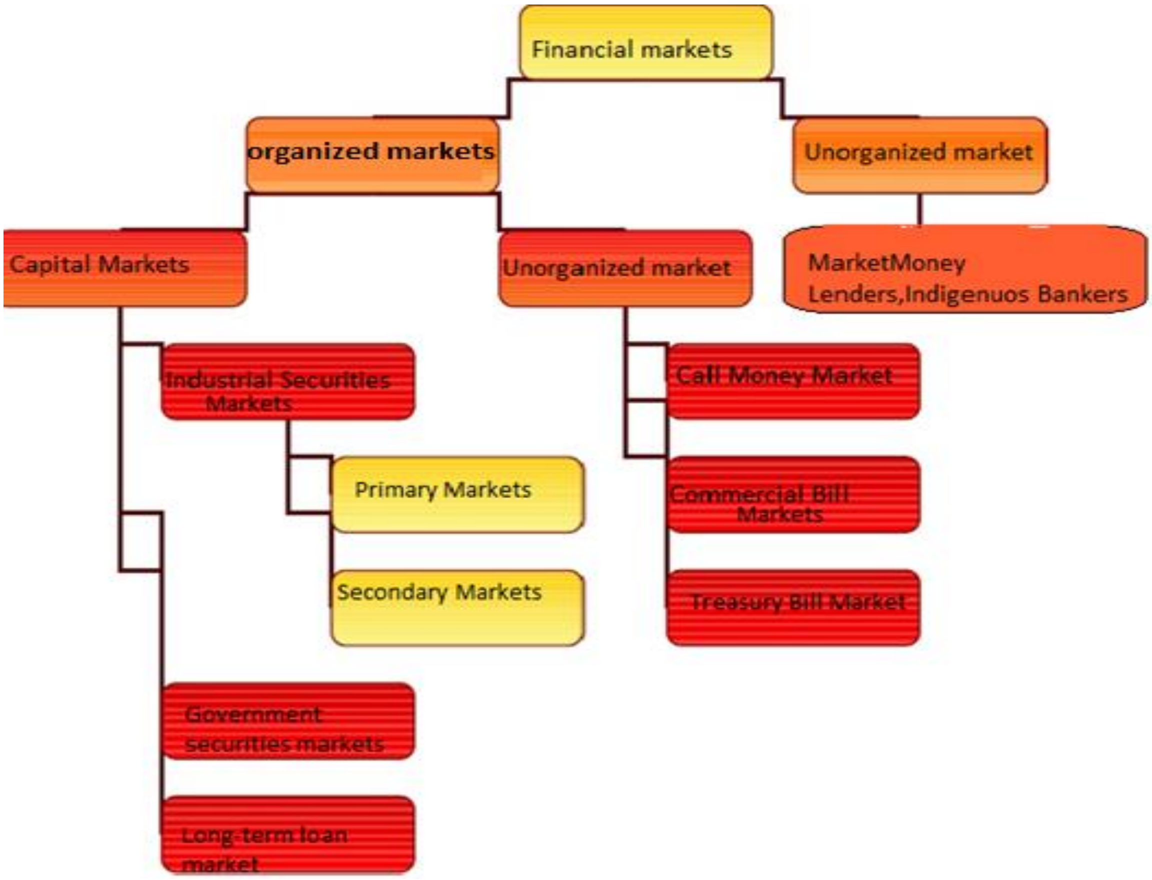
A lot of water has flown since then. Today commodities exchanges have become an integral part of Indian financial system. Their volumes have gone through the roof; from a humble Rs 5000 crores in 2003 today it stands north of Rs 27 lac crores per year. This rise in volumes has been led by bullion (gold and silver) trading. Simultaneously, MCX has emerged as the second largest commodity exchange in the world in terms the number of silver contracts traded. Similarly it is the third largest comm. in the world today considering the number of gold contracts traded.

There is yet another feather in the cap of Indian commixes; while the American commixes still continue to have open outcry system, Indian ones have begun in style, with every aspect of trading fully computerized. Thus you have trading engines which match buy and sell orders at the nanosecond basis.

Coming to commodities, today Indian investors can trade in a great number of commodities on these bourses, and the list is getting bigger by the day. No wonder then that the commodity futures market is being viewed as a significant business segment by many– businessmen, investors, institutions, brokers, banks et al.

In spite of all this flurry of activity during past three-four years, the awareness about commodities remains low. Many investors are still not aware that they can invest in commodities as diverse as gold, silver, jeera, and cotton with the click of a mouse, right from the confines of their living room. No doubt many are unaware that commodities are completely unrelated to other investment vehicles and thus can act as a buffer in the times of crisis.

CLASSIFICATION OF FINANCIAL MARKETS:-



Capital Market

The capital market is a market for financial assets which have a long or indefinite maturity. Generally, it deals with long term securities which have a period of above one year. In the widest sense, it consists of a series of channels through which the savings of the community are made available for industrial and commercial enterprises and public authorities. As a whole, capital market facilitates rising of capital.

The major functions performed by a capital market are:

1. Mobilization of financial resources on a nation-wide scale.

2. Securing the foreign capital and know-how to fill up deficit in the required resources for economic growth at a faster rate.

3. Effective allocation of the mobilized financial resources, by directing the same to projects yielding highest yield or to the projects needed to promote balanced economic development.

Capital market consists of primary market and secondary market.

Primary market: -

Primary market is a market for new issues or new financial claims. Hence it is also called as New Issue Market. It basically deals with those securities which are issued to the public for the first time. The market, therefore, makes available a new block of securities for public subscription. In other words, it deals with rising of fresh capital by companies either for cash or for consideration other than cash. The best example could be Initial Public Offering (IPO) where a firm offers shares to the public for the first time.

Secondary market:-

Secondary market is a market where existing securities are traded. In other words, securities which have already passed through new issue market are traded in this market. Generally, such securities are quoted in the stock exchange and it provides a continuous and regular market for buying and selling of securities. This market consists of all stock exchanges recognized by the government of India.

Money Market

Money markets are the markets for short-term, highly liquid debt securities. Moneymarket securities are generally very safe investments which return relatively lo winterest rate that is most appropriate for temporary cash storage or short term time needs. It consists of a number of sub-markets which collectively constitute the money market namely call money market, commercial bills market, acceptance market, and Treasury bill market.

Derivatives Market

The derivatives market is the financial for derivatives, financial like futures contracts or options, which are derived from other forms of assets. A derivative is a security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset.

The important financial derivatives are the following:

•Forwards:

Forwards are the oldest of all the derivatives. A forward contract refers to an agreement between two parties to exchange an agreed quantity of an asset for cash at a certain date in future at a predetermined price specified in that agreement. The promised asset may be currency, commodity, instrument etc.

•Futures:

Future contract is very similar to a forward contract in all respects excepting the fact that it is completely a standardized one. It is nothing but a standardized forward contract which is legally enforceable and always traded on an organized exchange.

•Options:

A financial derivative that represents a contract sold by one party(option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Call options give the option to buy at certain price, so the buyer would want the stock to go up. Put options give the option to sell at a certain price, so the buyer would want the stock to go down.

• Swaps:

It is yet another exciting trading instrument. In fact, it is the combination of forwards by two counterparties. It is arranged to reap the benefits arising from the fluctuations in the market – either currency market or interest rate market or any other market for that matter.

Foreign Exchange Market:-

It is a market in which participants are able to buy, sell, exchange and speculate on currencies. Foreign exchange markets are made up of banks, commercial companies, central banks, investment management firms, hedge funds, and retail forex brokers and investors. The forex market is considered to be the largest financial market in the world. It is a worldwide decentralized over-the-counter financial market for the trading of currencies. Because the currency markets are large and liquid, they are believed to be the most efficient financial markets. It is important to realize that the foreign exchange market is not a single exchange, but is constructed of a global network of computers that connects participants from all parts of the world.

Commodities Market:-

It is a physical or virtual marketplace for buying, selling and trading raw or primary products. For investors' purposes there are currently about 50 major commodi tymarkets worldwide that facilitate investment trade in nearly 100 primarycommoditie s. Commodities are split into two types: hard and soft commodities. Hard commodities are typically natural resources that must be mined or extracted (gold, rubber, oil, etc.), whereas soft commodities are agricultural products or livestock (corn, wheat, coffee, sugar, soybeans, pork, etc.)

Indian Financial Markets:-

India Financial market is one of the oldest in the world and is considered to be the fastest growing and best among all the markets of the emerging economies. The history of Indian capital markets dates back 200 years toward the end of the18th century when India was under the rule of the East India Company. The development of the capital market in India concentrated around Mumbai whereon less than 200 to 250 securities brokers were active during the second half of the 19th century. The financial market in India today is more developed than many other sectors because it was organized long before with the securities exchanges of Mumbai, Ahmadabad & Kolkata were established as early as the 19th century. By the early 1960s the total number of securities exchanges in India rose to eight, including Mumbai, Ahmadabad and Kolkata apart from Madras, Kanpur, Delhi, Bangalore and Pune. Today there are 21 regional securities exchanges in Indian addition to the centralized NSE (National Stock Exchange) and OTCEI (Over the Counter Exchange of India).

However the stock markets in India remained stagnant due to stringent controls on the market economy allowed only a handful of monopolies to dominate their respective sectors. The corporate sector wasn't allowed into many industry segments, which were dominated by the state controlled public sector resulting in stagnation of the economy right up to the early 1990s. Thereafter when the Indian economy began liberalizing and the controls began to be dismantled or eased out; the securities markets witnessed a flurry of IPO's that were launched. This resulted in many new companies across different industry segments to come up with newer products and services. A remarkable feature of the growth of the Indian economy in recent years has been the role played by its securities markets in assisting and fuelling that growth with money rose within the economy. This was in marked contrast to the initial phase of growth in many of the fast growing economies of East Asia that witnessed huge doses of FDI(Foreign Direct Investment) spurring growth in their initial days of market decontrol. During this phase in India much of the organized sector has been affected by high growth as the financial markets played an all-inclusive role in sustaining financial resource mobilization. Many PSUs (Public Sector Undertakings) that decided to offload part of their equity were also helped by the well-organized securities market in India.

The launch of the NSE (National Stock Exchange) and the OTCEI (Over the Counter Exchange of India) during the mid 1990s by the government of India was meant to user in an easier and more transparent form of trading in securities. The NSE was conceived as the market for trading in the securities of companies from the large-scale sector and the OTCEI for those from the small-scale sector. While the NSE has not just done well to grow and evolve into the virtual backbone of capital markets in India the OTCEI struggled and is yet show any sign of growth and development.

The integration of IT into the capital market infrastructure has been particularly smooth in India due to the country's world class IT industry. This has pushed up the operational efficiency of the Indian stock market to global standards and as a result the country has been able to capitalize on its high growth and attract foreign capital like never before. The regulating authority for capital markets in India is the SEBI (Securities and Exchange Board of India). SEBI came into prominence in the 1990s after the capital markets experienced some turbulence. It had to take drastic measures to plug many loopholes that were exploited by certain market forces to advance their vested interests. After this initial phase of struggle SEBI has grown in strength as the regulator of India's capital markets and as one of the country's most important institutions.

FINANCIAL MARKET REGULATIONS

Regulations are an absolute necessity in the face of the growing importance of capital markets throughout the world. The development of a market economy is dependent on the development of the capital market. The regulation of a capital market involves the regulation of securities;

these rules enable the capital market to function moreefficiently and impartially. A well regulated market has the potential to encourage additional investors to partake, and contribute in, furthering the development of the economy. The chief capital market regulatory authority is Securities and Exchange Board of India (SEBI).

SEBI is the regulator for the securities market in India. It is the apex body to develop and regulate the stock market in India It was formed officially by the Government India in 1992 with SEBI Act 1992being passed by the Indian Parliament. Chaired by CB Bhave, SEBI is headquartered in the popular business district of Bandra-Kurla complex in Mumbai, and has Northern, Eastern, Southern and Western regional offices in New Delhi, Kolkata ,Chennai and Ahmadabad. In place of Government Control, a statutory and autonomous regulatory board with defined responsibilities, to cover both development & regulation of the market, and independent powers has been set up. The basic objectives of the Board were identified as:

To protect the interests of investors in securities;

To promote the development of Securities Market;

To regulate the securities market and

For matters connected therewith or incidental thereto.

Since its inception SEBI has been working targeting the securities and is attending to the fulfilment of its objectives with commendable zeal and dexterity. The improvements in the securities markets like capitalization requirements, margining, establishment of clearing corporations etc. reduced the risk of credit and also reduced the market. SEBI has introduced the comprehensive regulatory measures, prescribed registration norms, the eligibility criteria, the code of obligations and the code of conduct for different intermediaries like, bankers to issue, merchant bankers, brokers and sub- brokers, registrars, portfolio managers, credit **rating agencies, underwriters and others. It has framed bye-laws, risk** identification and risk management systems for Clearinghouses of stock exchanges, surveillance system etc.

Which has made dealing insecurities both safe and transparent to the end investor? Another significant event is the approval of trading in stock indices (like S&P CNX Nifty & Sensex) in 2000. A market is a convenient and effective product because of the following reasons:

•It acts as a barometer for market behaviour;

•It is used to benchmark portfolio performance;

•It is used in derivative instruments like index futures and index options;

•It can be used for passive management as in case of Index Funds.

Two broad approaches of SEBI is to integrate the securities market at the national level, and also to diversify the trading products, so that there is an increase in number of traders including banks, financial institutions, insurance companies, mutual funds, primary dealers etc. to transact through the Exchanges. In this context the introduction of derivatives trading through Indian Stock Exchanges permitted by SEBI in 2000 AD is a real landmark.

SEBI has enjoyed success as a regulator by pushing systemic reforms aggressively and successively (e.g. the quick movement towards making the markets electronic and paperless rolling settlement on T+2 bases). SEBI has been active in setting up the regulations as required under law.

STOCK EXCHANGES IN INDIA

Stock Exchanges are an organized marketplace, either corporation or mutualorganization, where members of the organization gather to trade company stocks or other securities. The members may act either as agents for their customers, or as principals for their own accounts.

As per the Securities Contracts Regulation Act, 1956 a stock exchange is anassociation, organization or body of individuals whether incorporated or not, established for the purpose of assisting, regulating and controlling business in buying, selling and dealing in securities. Stock exchanges facilitate for the issue and redemption of securities and other financial instruments including the payment of income and dividends. The record keeping is central but trade is linked to such physical place because modern markets are computerized. The trade on an exchange is only by members and stock broker do have a seat on the exchange.

List of Stock Exchanges in India:-

BSE and NSE OTC Exchange of India Regional Stock Exchanges

1.Ahmedabad

2.Bangalore

3.Bhubaneswar

4.Calcutta

5.Cochin

6.Coimbatore

7.Delhi

8.Guwahati

9. Hyderabad

10.Jaipur

11.Ludhiana

12.Madhya Pradesh

13.Madras

15.Magadh

15.Mangalore

16. Meerut

17.Pune

18.Saurashtra Kutch

19.Uttar Pradesh

BOMBAY STOCK EXCHANGE

A very common name for all traders in the stock market, BSE, stands for Bombay Stock Exchange. It is the oldest market not only in the country, but also in Asia. In the early days, BSE was known as "The Native Share & Stock Brokers Association."It was established in the year 1875 and became the first stock exchange in the country to be recognized by the government. In 1956, BSE obtained a permanent recognition from the Government of India under the Securities Contracts (Regulation) Act, 1956.In the past and even now, it plays a pivotal role in the development of the country's capital market. This is recognized worldwide and its index, SENSEX, is also tracked worldwide.

Earlier it was an Association of Persons (AOP), but now it is ademutualised and corpo ratised entity incorporated under the provisions of theCompanies Act, 1956, pursuant to the BSE (Corporatisation and Demutualization) Scheme, 2005 notified by the Securities and Exchange Board of India (SEBI).

BSE Vision

The vision of the Bombay Stock Exchange is to "Emerge as the premier Indian stock exchange by establishing global benchmarks."

BSE Management

Bombay Stock Exchange is managed professionally by Board of Directors. Itcomprise s of eminent professionals, representatives of Trading Members and the Managing Director. The Board is an inclusive one and is shaped to benefit from the market intermediaries participation. The Board exercises complete control and formulates larger policy issues. The day-to-day operations of BSE are managed by the Managing Director and its school of professional as a management team.

BSE Network

The Exchange reaches physically to 417 cities and towns in the country. Theframewor k of it has been designed to safeguard market integrity and to operate withtransparency. It provides an efficient market for the trading in equity, debtinstrum ents and derivatives. Its online trading system, popularly known as BOLT, is a proprietary system and it is BS 7799-2-2002 certified. The BOLT network was expanded, nationwide, in 1997. The surveillance and clearing & settlement functions of the Exchange are ISO 9001:2000 certified.

BSE Facts

BSE as a brand is synonymous with capital markets in India. The BSE SENSEX is the benchmark equity index that reflects the robustness of the economy and finance. It was the –

•First in India to introduce Equity Derivatives

•First in India to launch a Free Float Index

•First in India to launch US$ version of BSE Sensex

•First in India to launch Exchange Enabled Internet Trading Platform

•First in India to obtain ISO certification for Surveillance, Clearing &Settlement

•'BSE On-

Line Trading System' (BOLT) has been awarded the globallyrecognized the Informati on Security Management System standardBS7799-2:2002.

•First to have an exclusive facility for financial training

•Moved from Open Outcry to Electronic Trading within just 50 days

BSE with its long history of capital market development is fully geared to continue its contributions to further the growth of the securities markets of the country; thus helping India increases its sphere of influence in international financial markets.

NATIONAL STOCK EXCHANGE OF INDIALIMITED

The National Stock Exchange of India Limited has genesis in the report of the HighPowered Study Group on Establishment of New Stock Exchanges, whichrecomm ended promotion of a National Stock Exchange by financial institutions (FI's) to provide access to investors from all across the country on an equal footing. Based on the recommendations, NSE was promoted by leading Financial Institutions at the behest of the Government of India and was incorporated in November 1992 as a tax- paying company unlike other stock Exchange in the country. On its recognition as a stock exchange under the Securities Contracts (Regulation) Act, 1956 in April 1993, NSE commenced operations in the Wholesale Debt Market (WDM) segment in June 1994. The Capital Market (Equities) segment commenced operations in November 1994 and operations in Derivatives segment commenced in June 2000.

NSE GROUP National Securities Clearing Corporation Ltd. (NSCCL)

It is a wholly owned subsidiary, which was incorporated in August 1995 andcommenc ed clearing operations in April 1996. It was formed to build confidence in clearing and settlement of securities, to promote and maintain the short and consistent settlement cycles, to provide a counter-party risk guarantee and to operate a tight risk containment system.

NSE.IT Ltd.

It is also a wholly owned subsidiary of NSE and is its IT arm. This arm of the NSE is uniquely positioned to provide products, services and solutions for the securities industry. NSE.IT primarily focuses on in the area of trading, broker front-end and back-office, clearing and settlement, web-based, insurance, etc. Along with this, it also provides consultancy and implementation services in Data Warehousing, Business Continuity Plans, Site Maintenance and Backups Stratus Mainframe Facility Management, Real Time Market Analysis &Financial News.

India Index Services & Products Ltd. (IISL)

It is a joint venture between NSE and CRISIL Ltd. to provide a variety of indices and index related services and products for the Indian Capital markets. It was set up in May 1998. IISL has a consulting and licensing agreement with the Standard and Poor’s (S&P), world's leading provider of investible equity indices, for co-branding equity indices.

National Securities Depository Ltd. (NSDL)

NSE joined hands with IDBI and UTI to promote dematerialization of securities. Thisstep was taken to solve problems related to trading in physical securities. Itcomm enced operations in November 1996.

NSE Facts

•It uses satellite communication technology to energize participation from around 400 cities in India.

•NSE can handle up to 1 million trades per day.

•It is one of the largest interactive VSAT based stock exchanges in the world.

•The NSE- network is the largest private wide area network in India and the first extended C- Band VSAT network in the world.

•Presently more than 9000 users are trading on the real time-online NSE application.

Today, NSE is one of the largest exchanges in the world and still for going ahead. At NSE, we are constantly working towards creating a more transparent, vibrant and innovative capital market.

Over the Counter Exchange of India

OTCEI was incorporated in 1990 as a section 25 company under the companies Act1956 and is recognized as a stock exchange under section 4 of the securities Contracts Regulation Act, 1956. The exchange was set up to aid enterprising promotes in raising finance for new projects in a cost effective manner and to provide investors with a transparent and efficient mode of trading Modelled along the lines of the NASDAQ market of USA, OTCEI introduced many novel concepts to the Indian capital markets such as screen-based nationwide trading, sponsorship of companies, Market making and scrip less trading. As a measure of success of these efforts, the Exchange today has 115 listings and has assisted in providing capital for enterprises that have gone on to build successful brands for themselves like VIP Advantage, Sonora Tiles & Brilliant mineral water, etc.

Need for OTCEI:

Studies by NASSCOM, software technology parks of India, the venture capitals funds and the government's IT tasks Force, as well as rising interest in IT, Pharmaceutical, Biotechnology and Media shares have repeatedly emphasized the need for a national stock market for innovation and high growth companies.

Innovative companies are critical to developing economics like India, which isunderg oing a major technological revolution. With their abilities to generateemployment opportunities and contribute to the economy, it is essential that these companies not only expand existing operations but also set up new units. The key issue for these companies is raising timely, cost effective and long term capital to sustain their operations and enhance growth.

INDIABULLS SECURITIES LTD.

Indiabulls is India's leading Financial, Real Estate and Power Company with a wide presence throughout India. They ensure convenience and reliability in all their products and services.

VISION

To be the largest and most profitable financial services organization in Indian retail market and become one stop shop for all non banking financial products and services for the retail customers. To become the preferred long term financial partner to a wide base of customers whilst optimizing stake holder's value.

MISSION

Rapidly increase the number of client relationships by providing a broad array of product offering to emerge as a clear market leader. To establish a base of 1 million satisfied customers by 2011. We will create this by being a responsible and trustworthy partner.

HISTORY

In 1999, three IIT-Delhi alumni Sameer Gehlaut, Rajiv Rattan and Saurabh Mittal acquired Orbis; a Delhi based stock broking company. Young entrepreneur Sameer Gehlaut established Indiabulls in 2000, after acquiring orbis Securities, a stock brokerage company in Delhi. The group started its operations from a small office near HauzKhas bus terminal in Delhi.

The idea of leveraging technology for trading stocks led to the creation of Indiabulls Incorporated on 10th January 2000, it was converted into a public limited company on 27th February 2004.

Its original idea of leveraging technology bore fruit when Indiabulls was accorded permission to conduct online trading on Indian stock exchanges.

The challenges facing it were immense – not least of all the mind set of investors who were called to make the big leap from traditional stock trading to a completely online interface. Having overcome this resistance, the company later expanded its service portfolio to include equity, F&O, wholesale debt, mutual fund distribution and equity research.

In 2003/04, Indiabulls ventured into insurance distribution and commodity trading. It successfully floated its IPO in September 2004 and in the same year entered the consumer finance segment. Real estate Opportunities were opening up in retail and infrastructure as well. To cement its position in the Indian business and industry firmament,

Indiabulls acquired Pyramid Retail In 2007 and marked its presence in the power sector by launching Indiabulls Power.

GROUP STRUCTURE

Indiabulls Group has four separately listed companies with subsidiaries which contributed in enhancing scope and profile of the business.

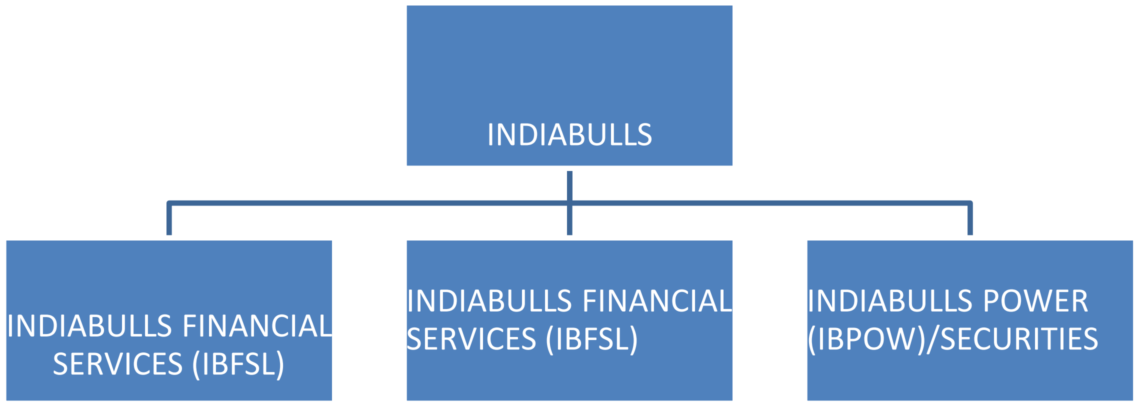


Fig 3.1

INDIABULLS

INDIABULLS FINANCIAL SERVICES (IBFSL)

INDIABULLS REAL ESTATE (IBREL)

INDIABULLS POWER (IBPOW)

INDIABULLS SECURITIES (ISL)

INDIABULLS FINANCIAL SERVICES LTD (IBFSL) :

Indiabulls Financial Services Limited was incorporated on January 10, 2000 as M/s Orbis InfoTech Private Limited at New Delhi under the Companies Act, 1956. The name of company was changed to M/s. Indiabulls Financial Services Private Limited on March 16, 2001.

IBFSL is one of India's leading non-banking financial companies (NBFCs). IBFSL's wholly owned subsidiary Indiabulls Housing Finance Limited (IBHFL) is a SARFAESI notified Housing Finance Company (HFC) providing mortgages across India. With a cumulative disbursal of Rs. 40,000 crores over past five years, IBFSL is a leading provider of lending and other financial products including home mortgages, loans against property, commercial vehicle loans, and commercial credit to prime corporates only. IBFSL offers a very high level of client servicing standards through its highly trained staff and large distribution network encompassing more than 150 locations across India. IBFSL's focus is on lending to prime AAA clients backed by fully secured loans. IBFSL enjoys AA+ rating and has among the lowest leverage and highest net worth among its peer group and has very stable long term financing from leading banks and financial institutions.

INDIABULLS REAL ESTATE LTD (IBREL):

Indiabulls stepped into the real estate market as Indiabulls Real Estate Limited (IREL) in 2005. A joint venture between Indiabulls and a US based investment major Farallon Capital Management LLC resulted in bringing FDI (Foreign Direct Investment) for the first time in the Indian real estate market. Another joint venture amongst Indiabulls and DLF, Kenneth Builders and Developers (KBD), has brought up projects for development of residential apartments.

Projects include:

Centrum Park Gurgoan , Indiabulls Greens Panvel, Indiabulls sky, Greens Chennai, Central Park Hyderabad, Nashik SEZ, Indiabulls Finance Center.

INDIABULLS POWER LTD (IBPOW):

Indiabulls Power Limited was established in 2007 to capitalize on emerging opportunities in the Indian power sector. Indiabulls is currently developing five thermal power projects with an aggregate capacity of approximately 6600 MW. These projects include:

Amravati Phase-I (1320 MW), Amravati Phase-II (1320 MW), Nasik (1335 MW) in Maharashtra, Bhaiyathan Thermal Power Project (1320 MW), Chhattisgarh Power Project (1320 MW).

INDIABULLS SECURITIES LTD (ISL):

Indiabulls Securities Limited is the jewel in the crown of Indiabulls group. Indiabulls Securities Limited is India's leading capital markets company with All-India presence and an extensive client base. Indiabulls Securities is the first and only brokerage house in India to be assigned the highest rating BQ – 1 by CRISIL. Indiabulls Securities Limited is listed on NSE, BSE & Luxembourg stock exchange.

PROFILE OF THE COMPANY

- Name of the Company : INDIABULLS SECURITIES LTD
- Year of Establishmen :2000
- Headquarter : Indiabulls Finance centre,
  Tower 1, 8th floor,
  Elphinstone Tower, Mumbai-40013.
- Nature of Business : Broking Services.
- Services Offered : Online IPO's, NRI Equity Trading, Equity Research
- Number of employees : over 20,000

- Customers : Greater than 6lakh
- Website : www.indiabulls.com
- Slogan : “Creating a world of smarter Investors”.
- CEO & chairman : Sameer Gehlot
- President and CFO : Rajiv Rattan
- Director : Saurav Mittal.

PRODUCTS AND SERVICES OF INDIABULLS SECURITIES LIMITED

1. Power Indiabulls: - Power Indiabulls (PIB) is an online trading platform which bringsthe power of a broker’s terminal on your desktop.

2. Depository Services: - Indiabulls is a depository participant with the National Securities Depository Limited and Central Depository Services (India) Limited.

3. IPO Online: - You can quickly and seamlessly apply to the latest public offerings with just a few clicks.

4. Indiabulls Signature Account: - Indiabulls Signature account provides you the platformto trade in Equity and Derivatives.

5. NRI Trading: - Non-Resident Indians (NRIs) can also enjoy the state of the art OnlineTrading Platforms of Indiabulls to trade in Indian Capital Markets.

6. Indiabulls Equity Analysis: - Indiabulls Equity Analysis complements its equity Broking and advisory services with high quality comprehensive report which can be accessed online.

7. Currency Derivatives: - Indiabulls offers trading in the Currency Derivatives Segment in National Stock Exchange (NSE).

REASONS TO CHOOSE INDIABULLS SECURITIES LTD

The Indiabulls Financial Services stock is the best performing stock in the MSCI Index – the global benchmark for equity investments

Reasons why investing with Indiabulls Securities Limited is smarter.

1) Customization: Formulates investment plans based on customer individual requirements

2) Expertise: Brings within customer reach, about institutional expertise and companies valuable understanding of the financial markets

3) One-stop shop: Caters to all customers' investment needs under one roof.

4) Trust: Enjoys the pedigree of Indiabulls Securities Ltd and share its expertise in financial services.

5) Personalized service: Helps customer through the entire investment process, step by step, with innovative and efficient services.

6) Unbiased & Objective advice: We partner you in your investment process, with our team of expert investment advisors.

Apart from two passport sized photos one needs to provide the following documents in order to open an account with INDIABULLS securities ltd.

Photocopies of the client's PAN card which should be duly attached.

Photocopy of any of the following documents duly attached which will serve as correspondence:

Address Proof

Passport

Voter's ID card

Ration Card

Driving License

Electricity bill (latest and should be in the name of the client)

Telephone bill (should be latest and should be in the name of the client)

Insurance policy (should be latest and should be in the name of the client)

Lease and rent agreement

Saving bank statement

Two cheques drawn in the favor of India bulls Securities Ltd, one for account opening fees and other for the Margin Money (the minimum margin amount is 5000)

Note: only saving bank accounts are accepted for the purpose of opening an account.

MILES STONES ACHIEVED

- Developed one of the first internet trading platforms in India.
- Amongst the first to develop in-house real-time CTCL (computer to computer link) with NSE.
- Introduction of integrated accounts with automatic gateways to client bank accounts.
- Development of products such as Power India bulls for high volume traders.

CHAPTER III

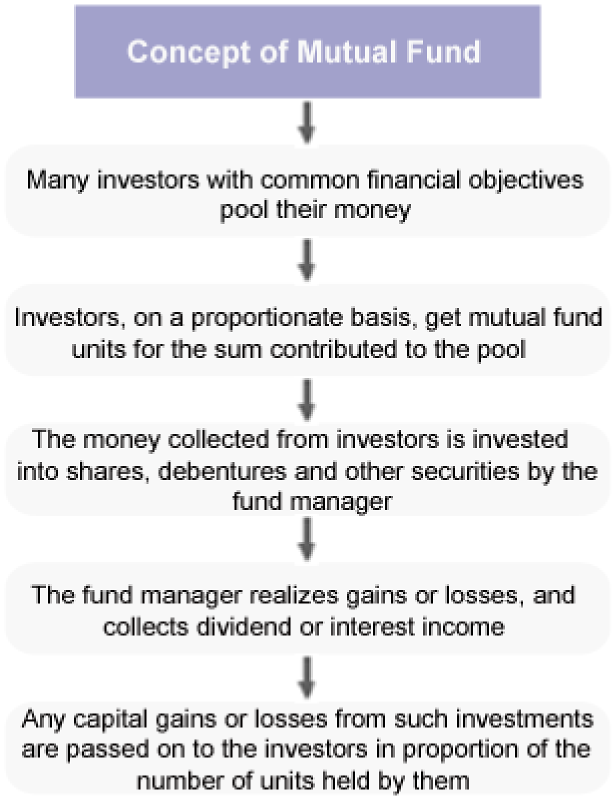
THEORETICAL FRAMEWORK

THEORETICAL FRAMEWORK

MUTUAL FUND:

Mutual fund is a trust that pools money from a group of investors (sharing common financial goals) and invest the money thus collected into asset classes that match the stated investment objectives of the scheme. Since the stated investment objective of a mutual fund scheme generally forms the basis for an investor's decision to contribute money to the pool, a mutual fund can not deviate from its stated objectives at any point of time.

Every Mutual Fund is managed by a fund manager, who using his investment management skills and necessary research works ensures much better return than what an investor can manage on his own. The capital appreciation and other incomes earned from these investments are passed on to the investors (also known as unit holders) in proportion of the number of units they own.



When an investor subscribes for the units of a mutual fund, he becomes part owner of the assets of the fund in the same proportion as his contribution amount put up with the corpus (the total amount of the fund). Mutual Fund investor is also known as a mutual fund shareholder or a unit holder.

Any change in the value of the investments made into capital market instruments (such as shares, debentures etc.) is reflected in the Net Asset Value (NAV) of the scheme. NAV is defined as the market value of the Mutual Fund scheme's assets net of its liabilities. NAV of a scheme is calculated by dividing the market value of scheme's assets by the total number of units issued to the investors.

For Example:

A. If the market value of the assets of a fund is Rs. 100,000
B. The total number of units issued to the investors is equal to 10,000.
C. Then the NAV of this scheme = (A)/(B), i.e. 100,000/10,000 or 10.00
D. Now if an investor 'X' owns 5 units of this scheme
E. Then his total contribution to the fund is Rs. 50 (i.e. Number of units held multiplied by the NAV of the scheme)

ADVANTAGES OF MUTUAL FUND

1. Portfolio Diversification Mutual Funds invest in a well-diversified portfolio of securities which enables investor to hold a diversified investment portfolio (whether the amount of investment is big or small).

2. Professional Management Fund manager undergoes through various research works and has better investment management skills which ensure higher returns to the investor than what he can manage on his own.

3. Less Risk Investors acquire a diversified portfolio of securities even with a small investment in a Mutual Fund. The risk in a diversified portfolio is lesser than investing in merely 2 or 3 securities.

4. Low Transaction Costs Due to the economies of scale (benefits of larger volumes), mutual funds pay lesser transaction costs. These benefits are passed on to the investors.

5. Liquidity An investor may not be able to sell some of the shares held by him very easily and quickly, whereas units of a mutual fund are far more liquid.

6. Choice of Schemes Mutual funds provide investors with various schemes with different investment objectives. Investors have the option of investing in a scheme having a correlation between its investment objectives and their own financial goals. These schemes further have different plans/options

7. Transparency Funds provide investors with updated information pertaining to the markets and the schemes. All material facts are disclosed to investors as required by the regulator.

8. Flexibility Investors also benefit from the convenience and flexibility offered by Mutual Funds. Investors can switch their holdings from a debt scheme to an equity scheme and vice-versa. Option of systematic (at regular intervals) investment and withdrawal is also offered to the investors in most open-end schemes.

9. Safety Mutual Fund industry is part of a well-regulated investment environment where the interests of the investors are protected by the regulator. All funds are registered with SEBI and complete transparency is forced.

DISADVANTAGES OF MUTUAL FUND

1.Costs Control Not in the Hands of an Investor: Investor has to pay investment management fees and fund distribution costs as a percentage of the value of his investments (as long as he holds the units), irrespective of the performance of the fund.

2. No Customized Portfolios: The portfolio of securities in which a fund invests is a decision taken by the fund manager. Investors have no right to interfere in the decision making process of a fund manager, which some investors find as a constraint in achieving their financial objectives.

3. Difficulty in Selecting a suitable Fund Scheme Many investors find it difficult to select one option from the plethora of funds/schemes/plans available. For this, they may have to take advice from financial planners in order to invest in the right fund to achieve their objectives.

TYPES OF MUTUAL FUNDS

General Classification of Mutual Funds

Open-end Funds / Closed-end Funds

Open-end Funds:

Funds that can sell and purchase units at any point in time are classified as Open-end Funds. The fund size (corpus) of an open-end fund is variable (keeps changing) because of continuous selling (to investors) and repurchases (from the investors) by the fund. An open-end fund is not required to keep selling new units to the investors at all times but is required to always repurchase, when an investor wants to sell his units. The NAV of an open-end fund is calculated every day.

Closed-end Funds:

Funds that can sell a fixed number of units only during the New Fund Offer (NFO) period are known as Closed-end Funds. The corpus of aClosed-end Fund remains unchanged at all times. After the closure of the offer, buying and redemption of units by the investors directly from the Funds is not allowed. However, to protect the interests of the investors, SEBI provides investors with two avenues to liquidate their positions:

1. Closed-end Funds are listed on the stock exchanges where investors can buy/sell units from/to each other. The trading is generally done at a discount to the NAV of the scheme. The NAV of a closed-end fund is computed on a weekly basis (updated every Thursday)

2. Closed-end Funds may also offer "buy-back of units" to the unit holders. In this case, the corpus of the Fund and its outstanding units do get changed.

Load Funds/no-load funds

Load Funds

Mutual Funds incur various expenses on marketing, distribution, advertising, portfolio churning, fund manager's salary etc. Many funds recover these expenses from the investors in the form of load. These funds are known as Load Funds. A load fund may impose following types of loads on the investors:

- **Entry Load –** Also known as Front-end load, it refers to the load charged to an investor at the time of his entry into a scheme. Entry load is deducted from the investor's contribution amount to the fund.
- **Exit Load –** Also known as Back-end load, these charges are imposed on an investor when he redeems his units (exits from the scheme). Exit load is deducted from the redemption proceeds to an outgoing investor.
- **Deferred Load –** Deferred load is charged to the scheme over a period of time.
- **Contingent Deferred Sales Charge (CDSS) –** In some schemes, the percentage of exit load reduces as the investor stays longer with the fund. This type of load is known as Contingent Deferred Sales Charge.

No-load Funds

All those funds that do not charge any of the above mentioned loads are known as No-load Funds.

Tax-exempt Funds/ Non-Tax-exempt Funds

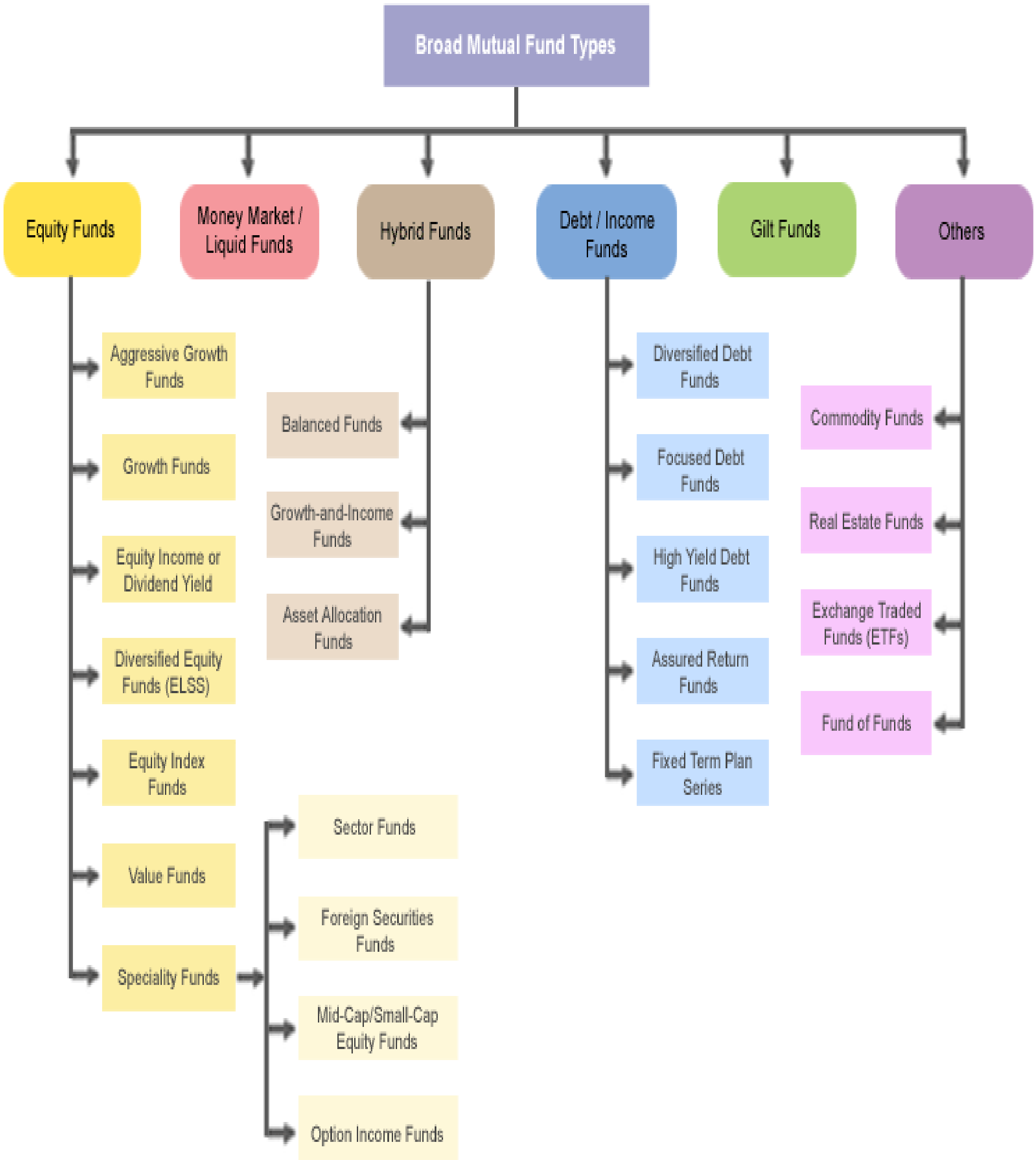
Tax-exempt Funds

Funds that invest in securities free from tax are known as Tax-exempt Funds. All open-end equity oriented funds are exempt from distribution tax (tax for distributing income to investors). Long term capital gains and dividend income in the hands of investors are tax-free.

Non-Tax-exempt Funds

Funds that invest in taxable securities are known as Non-Tax-exempt Funds. In India, all funds, except open-end equity oriented funds are liable to pay tax on distribution income. Profits arising out of sale of units by an investor within 12 months of purchase are categorized as short-term capital gains, which are taxable. Sale of units of an equity oriented fund is subject to Securities Transaction Tax (STT). STT is deducted from the redemption proceeds to an investor

BROAD MUTUAL FUND TYPES



1. Equity Funds

Equity funds are considered to be the more risky funds as compared to other fund types, but they also provide higher returns than other funds. It is advisable that an investor looking to invest in an equity fund should invest for long term i.e. for 3 years or more. There are different types of equity funds each falling into different risk bracket. In the order of decreasing risk level, there are following types of equity funds:

a. **Aggressive Growth Funds -** In Aggressive Growth Funds, fund managers aspire for maximum capital appreciation and invest in less researched shares of speculative nature. Because of these speculative investments Aggressive Growth Funds become more volatile and thus, are prone to higher risk than other equity funds.

b. **Growth Funds -** Growth Funds also invest for capital appreciation (with time horizon of 3 to 5 years) but they are different from Aggressive Growth Funds in the sense that they invest in companies that are expected to outperform the market in the future. Without entirely adopting speculative strategies, Growth Funds invest in those companies that are expected to post above average earnings in the future.

c. **Specialty Funds -** Specialty Funds have stated criteria for investments and their portfolio comprises of only those companies that meet their criteria. Criteria for some specialty funds could be to invest/not to invest in particular regions/companies. Specialty funds are concentrated and thus, are comparatively riskier than diversified funds. There are following types of specialty funds:

1. Sector Funds: Equity funds that invest in a particular sector/industry of the market are known as Sector Funds. The exposure of these funds is limited to a particular sector (say Information Technology, Auto, Banking, Pharmaceuticals or Fast Moving Consumer Goods) which is why they are more risky than equity funds that invest in multiple sectors.

2. Foreign Securities Funds: Foreign Securities Equity Funds have the option to invest in one or more foreign companies. Foreign securities funds achieve international diversification and hence they are less risky than sector funds. However, foreign securities funds are exposed to foreign exchange rate risk and country risk.

3. Mid-Cap or Small-Cap Funds: Funds that invest in companies having lower market capitalization than large capitalization companies are called Mid-Cap or Small-Cap Funds. Market capitalization of Mid-Cap companies is less than that of big, blue chip companies (less than Rs2500 crores but more than Rs500 crores) and Small-Cap companies have market capitalization of less than Rs500 crores. Market Capitalization of a company can be calculated by multiplying the market price of the company's share by the total number of its outstanding shares in the market. The shares of Mid-Cap or Small-Cap Companies are not as liquid as of Large-Cap Companies which gives rise to volatility in share prices of these companies and consequently, investment gets risky.

4. Diversified Equity Funds - Except for a small portion of investment in liquid money market, diversified equity funds invest mainly in equities without any concentration on a particular sector(s). These funds are well diversified and reduce sector-specific or company-specific risk. However, like all other funds diversified equity funds too are exposed to equity market risk. One prominent type of diversified equity fund in India is Equity Linked Savings Schemes (ELSS). As per the mandate, a minimum of 90% of investments by ELSS should be in equities at all times. ELSS investors are eligible to claim deduction from taxable income (up to Rs 1 lakh) at the time of filing the income tax return. ELSS usually has a lock-in period and in case of any redemption by the investor before the expiry of the lock-in period makes him liable to pay income tax on such income(s) for which he may have received any tax exemption(s) in the past.

d. **Equity Index Funds -** Equity Index Funds have the objective to match the performance of a specific stock market index. The portfolio of these funds comprises of the same companies that form the index and is constituted in the same proportion as the index. Equity index funds that follow broad indices (like S&P CNX Nifty, Sensex) are less risky than equity index funds that follow narrow sectoral indices (like BSEBANKEX or CNX Bank Index etc.). Narrow indices are less diversified and therefore, are more risky.

2. Debt/Income Funds

Funds that invest in medium to long-term debt instruments issued by private companies, banks, financial institutions, governments and other entities belonging to various sectors (like infrastructure companies etc.) are known as Debt / Income Funds. Debt funds are low risk profile funds that seek to generate fixed current income (and not capital appreciation) to investors. In order to ensure regular income to investors, debt (or income) funds distribute large fraction of their surplus to investors. Although debt securities are generally less risky than equities, they are subject to credit risk (risk of default) by the issuer at the time of interest or principal payment. To minimize the risk of default, debt funds usually invest in securities from issuers who are rated by credit rating agencies and are considered to be of "Investment Grade". Debt funds that target high returns are more risky. Based on different investment objectives, there can be following types of debt funds:

a. **Diversified Debt Funds -** Debt funds that invest in all securities issued by entities belonging to all sectors of the market are known as diversified debt funds. The best feature of diversified debt funds is that investments are properly diversified into all sectors which results in risk reduction. Any loss incurred, on account of default by a debt issuer, is shared by all investors which further reduces risk for an individual investor.
b. **Focused Debt Funds* -** Unlike diversified debt funds, focused debt funds are narrow focus funds that are confined to investments in selective debt securities, issued by companies of a specific sector or industry or origin. Some examples of focused debt funds are sector, specialized and offshore debt funds, funds that invest only in Tax Free Infrastructure or Municipal Bonds. Because of their narrow orientation, focused debt funds are more risky as compared to diversified debt funds. Although not yet available in India, these funds are conceivable and may be offered to investors very soon.
c. **Assured Return Funds -** Although it is not necessary that a fund will meet its objectives or provide assured returns to investors, but there can be funds that come with a lock-in period and offer assurance of annual returns to investors during the lock-in period. Any shortfall in returns is suffered by the sponsors or the Asset Management Companies (AMCs). These funds are generally debt funds and provide investors with a low-risk investment opportunity.

However, the security of investments depends upon the net worth of the guarantor (whose name is specified in advance on the offer document). To safeguard the interests of investors, SEBI permits only those funds to offer assured return schemes whose sponsors have adequate net-worth to guarantee returns in the future. In the past, UTI had offered assured return schemes (i.e. Monthly Income Plans of UTI) that assured specified returns to investors in the future. UTI was not able to fulfill its promises and faced large shortfalls in returns. Eventually, government had to intervene and took over UTI's payment obligations on itself. Currently, no AMC in India offers assured return schemes to investors, though possible.

d. **Fixed Term Plan Series -** Fixed Term Plan Series usually are closed-end schemes having short term maturity period (of less than one year) that offer a series of plans and issue units to investors at regular intervals. Unlike closed-end funds, fixed term plans are not listed on the exchanges. Fixed term plan series usually invest in debt / income schemes and target short-term investors. The objective of fixed term plan schemes is to gratify investors by generating some expected returns in a short period.

3. GiltFunds

Also known as Government Securities in India, Gilt Funds invest in government papers (named dated securities) having medium to long term maturity period. Issued by the Government of India, these investments have little credit risk (risk of default) and provide safety of principal to the investors. However, like all debt funds, gilt funds too are exposed to interest rate risk. Interest rates and prices of debt securities are inversely related and any change in the interest rates results in a change in the NAV of debt/gilt funds in an opposite direction.

4. Money Market/Liquid Funds

Money market / liquid funds invest in short-term (maturing within one year) interest bearing debt instruments. These securities are highly liquid and provide safety of investment, thus making money market / liquid funds the safest investment option when compared with other mutual fund types. However, even money market / liquid funds are exposed to the interest rate risk. The typical investment options for liquid funds include Treasury Bills (issued by governments), Commercial papers (issued by companies) and Certificates of Deposit (issued by banks).

5. Hybrid Funds

As the name suggests, hybrid funds are those funds whose portfolio includes a blend of equities, debts and money market securities. Hybrid funds have an equal proportion of debt and equity in their portfolio. There are following types of hybrid funds in India:

a. **Balanced Funds –** The portfolio of balanced funds include assets like debt securities, convertible securities, and equity and preference shares held in a relatively equal proportion. The objectives of balanced funds are to reward investors with a regular income, moderate capital appreciation and at the same time minimizing the risk of capital erosion. Balanced funds are appropriate for conservative investors having a long term investment horizon
b. **Growth-and-Income Funds –** Funds that combine features of growth funds and income funds are known as Growth-and-Income Funds. These funds invest in companies having potential for capital appreciation and those known for issuing high dividends. The level of risks involved in these funds is lower than growth funds and higher than income funds.

6. Commodity Funds

Those funds that focus on investing in different commodities (like metals, food grains, crude oil etc.) or commodity companies or commodity futures contracts are termed as Commodity Funds. A commodity fund that invests in a single commodity or a group of commodities is a specialized commodity fund and a commodity fund that invests in all available commodities is a diversified commodity fund and bears less risk than a specialized commodity fund. “Precious Metals Fund” and Gold Funds (that invest in gold, gold futures or shares of gold mines) are common examples of commodity funds.

7. Real Estate Funds

Funds that invest directly in real estate or lend to real estate developers or invest in shares/securitized assets of housing finance companies, are known as Specialized Real Estate Funds. The objective of these funds may be to generate regular income for investors or capital appreciation.

8. Exchange Traded Funds (ETF)

Exchange Traded Funds provide investors with combined benefits of a closed-end and an open-end mutual fund. Exchange Traded Funds follow stock market indices and are traded on stock exchanges like a single stock at index linked prices. The biggest advantage offered by these funds is that they offer diversification, flexibility of holding a single share (tradable at index linked prices) at the same time. Recently introduced in India, these funds are quite popular abroad.

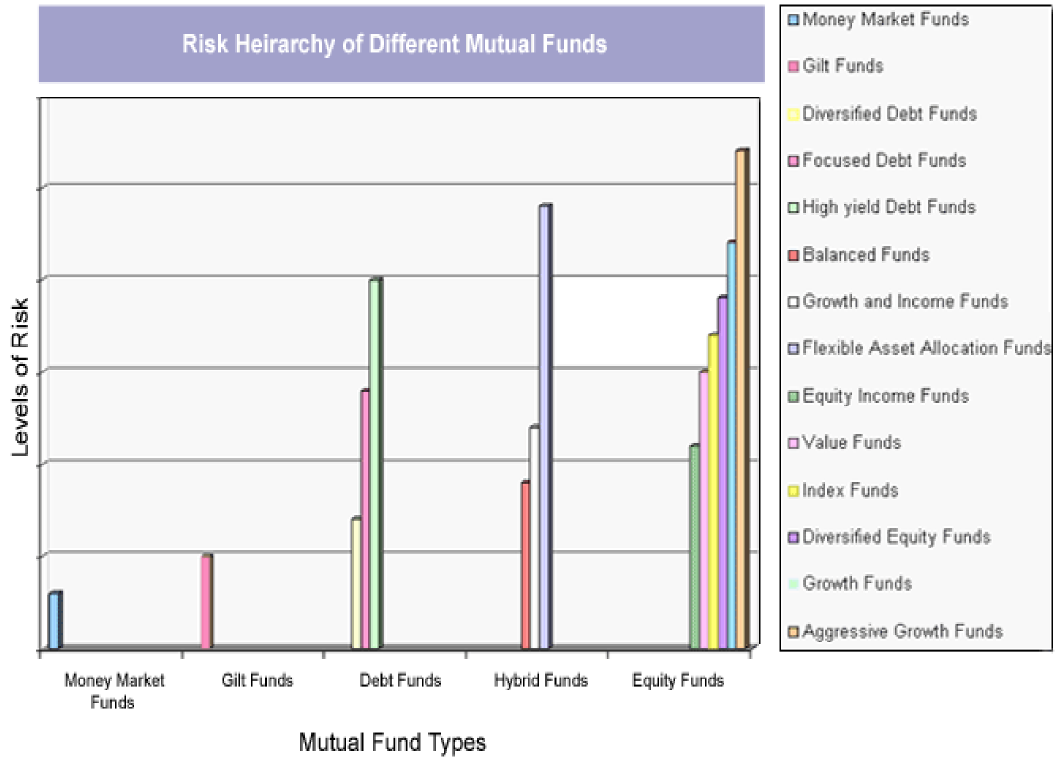
9. Fund of Funds

Mutual funds that do not invest in financial or physical assets, but do invest in other mutual fund schemes offered by different AMCs, are known as Fund of Funds. Fund of Funds maintain a portfolio comprising of units of other mutual fund schemes, just like conventional mutual funds maintain a portfolio comprising of equity/debt/money market instruments or nonfinancial assets.

Fund of Funds provide investors with an added advantage of diversifying into different mutual fund schemes with even a small amount of investment, which further helps in diversification of risks. However, the expenses of Fund of Funds are quite high on account of compounding expenses of investments into different mutual fund schemes.

Risk Hierarchy of Different Mutual Funds

Thus, different mutual fund schemes are exposed to different levels of risk and investors should know the level of risks associated with these schemes before investing. The graphical representation hereunder provides a clearer picture of the relationship between mutual funds and levels of risk associated with these funds:



MUTUAL FUND STRUCTURE

The SEBI (Mutual Funds) Regulations 1993 define a mutual fund (MF) as a fund established in the form of a trust by a sponsor to raise monies by the Trustees through the sale of units to the public under one or more schemes for in vesting in securities in accordance with these regulations.

These regulations have since been replaced by the SEBI (Mutual Funds) Regulations, 1996. The structure indicated by the new regulations is indicated as under.

A mutual fund comprises four separate entitles, namely sponsor, mutual fund trust, AMC and custodian. The sponsor establishes the mutual fund and gets its registered with SEBI.

The mutual fund needs to be constituted in the form of a trust and the instrument of the trust should be in the form of a deed registered under the provisions of the Indian Registration Act, 1908.

The sponsor is required to contribute at lease 40% of the minimum net worth (Rs.10 crore) of the asset management company. The board of trustees manages the MF and the sponsor executes the trust deeds in favor of the trustees. It is the job of the MF trustees to see that schemes floated and managed by the AMC appointed by the trustees are in accordance with the trust deed and SEBI guidelines.

CHOOSING A FUND:

The first step to investing in Mutual Fund is to define the objective of investing. You should clearly lay down the purpose for which you desire to invest. There are several schemes tailor made to meet certain personal financial goals (children's education, marriage, retirement etc.) which can be availed of. You should define the tenure of investment and the risk appetite you have. Thereafter, you can select a fund type that best meets your need i.e. income schemes, liquid schemes, tax saving schemes, equity schemes etc. Given the plethora of fund options available to you, you can then choose the particular fund that you are comfortable with.

You can choose the fund on various criteria but primarily these can be the following:

- The track record of performance of schemes over the last few years managed by the fund
- Quality of management and administration
- Parentage of the Mutual Fund
- Quality and adequacy of disclosures
- Service levels
- The price at which you can enter/exit (i.e. entry load / exit load) the scheme and its impact on overall return
- The market price of the units of the scheme (where available) to see the discount/premium that the market .assigns to the stated NA V of the scheme
- Independent rating of the schemes, if available

You could be investing in a mutual fund either at the initial stage when the mutual fund approaches the market through an offer document route or at a subsequent stage.

If you choose to invest at the initial stage, the offer document would detail the schemes being offered and the manner of investing. The manner is usually similar to that of investing any public issue of any security (equity/debt).

If you are planning to purchase the units subsequently. Then the following choices exist:

1.A close ended scheme. If the desired, units are of a close-ended scheme, then the investor would be able to purchase them at the stock exchange where the MF has listed them. This purchase would resemble the purchase of an equity share wherein the investor would pay the quoted price of the unit as well as a brokerage for the purchase transaction. In the case of a close ended scheme, the sale also is affected through the stock exchange mechanism and resembles the sale of equity share. The pricing for the transaction, as was mentioned earlier, is driven by the price the units quote. This is driven by the NA V (Net Asset Value) of the scheme. The price, however, may be either at a discount or premium to the NA V.

2.Purchasing a unit in a open-ended scheme is different as there is no exchange where these units are traded. Their price ret1ects the NA V of the scheme. The mutual fund in an open-ended scheme sells these units to the investor at the NA V (plus a sale / entry load).

Selling units in an open-ended scheme is similar to the way they are purchased. It is the mutual fund that buys back the units and at a price based on the NA V. The actual price is the NA V less the exit load. The exit load is similar in concept to the entry load.

The Ground rules of Mutual Fund Investing

Moses gave to his followers 10 commandments that were to be followed till eternity. The world of investments too has several ground rules meant for investors who are novices in their own right and wish to enter the myriad world of investments. These come in handy for there is every possibility of losing what one has if due care is not taken.

1.**Assess yourself:** Self-assessment of one's needs; expectations and risk profile is of prime importance failing which; one will make more mistakes in putting money in right places than otherwise. One should identify the degree of risk bearing capacity one has and also clearly state the expectations from the investments. Irrational expectations will only bring pain.

2.**Try to understand where the money is going:** It is important to identify the nature of investment and to know if one is compatible with the investment. One can lose substantially if one picks the wrongkind of mutual fund. In order to avoid any confusion it is better to go through the literature such as offer document and fact sheets that mutual fund companies provide on their funds.

3.**Don't rush in picking funds, think first:** one first has to decide what he wants the money for and it is this investment goal that should be the guiding light for all investments done. It is thus important to know the risks associated with the fund and align it with the quantum of risk one is willing to take. One should take a look at the portfolio of the funds for the purpose. Excessive exposure to any specific sector should be avoided, as it will only add to the risk of the entire portfolio. Mutual funds invest with a certain ideology such as the "Value Principle" or "Growth Philosophy". Both have their share of critics but both philosophies work for investors of different kinds. Identifying the proposed investment philosophy of the fund will give an insight into the kind of risks that it shall be taking in future.

4.**Invest. Don't speculate:** A common investor is limited in the degree of risk that he is willing to take. It is thus of key importance that there is thought given to the process of investment and to the time horizon of the intended investment. One should abstain from speculating which in' other words would mean getting out of one fund and investing in another with the intention of making quick money. One would do well to remember that nobody can perfectly time the market so staying invested is the best option unless there are compelling reasons to exit.

5.**Don't put all the eggs in one basket:** This old age adage is of utmost importance. No matter what the risk profile of a person is, it is always advisable to diversify the risks associated. So putting one's money in different asset classes is generally the best option as it averages the risks in each category. Thus, even investors of equity should be judicious and invest some portion of the investment in debt. Diversification even in money in the hands of several fund managers. This might reduce the maximum return possible, but will also reduce the risks.

6.**Be regular:** Investing should be a habit and not an exercise undertaken at one's wishes, if one has to really benefit from them. As we said earlier, since it is extremely difficult to know when to enter or exit the market. It is important to beat the market by being systematic. The basic philosophy of Rupee cost averaging would suggest that if one invests regularly through the ups and downs of the market, he would stand a better chance of generating more returns than the market for the entire duration. The SIPs (Systematic Investment Plans) offered by all funds helps in being systematic.

Performance Measures of Mutual Funds

Mutual Fund industry today, with about 34 players and more than five hundred schemes, is one of the most preferred investment avenues in India. However with a plethora of schemes to choose from the retail investor faces problems in selecting funds. Factors such as investment strategy and management style are qualitative, but the funds record is an important indicator too. Though past performance alone cannot be indicative of future performance, it is, frankly, the only quantitative way to judge how good a fund is at present. Therefore, there is a need to correctly assess the past performance of different mutual funds.

Worldwide, good Mutual fund companies over are known by their AMCs and this fame is directly linked to their superior stock selection skills. For mutual funds to grow, AMCs must be held accountable for their selection of stocks. In other words, there must be some performance indicator that will reveal the quality of stock selection of various AMCs.

Return alone should not be considered as the basis of measurement of the performance of a mutual fund scheme. It should also include the risk taken by the fund manager because different funds will have different levels of risk attached to them. Risk associated with a fund, in a general, can be defined as variability or fluctuations in the returns generated by it. The higher the t1uctuations in the returns of a fund during a given period, higher will be the risk associated with it. These fluctuations in the returns generated by a fund are resultant of two guiding forces.

First, general market fluctuations, which affect all the securities present in the market, called market risk or systematic risk and second, t1uctuations due to specific securities present in the portfolio of the fund, called unsystematic risk.

The **Total Risk** of a given fund is sum of these two and is measured in terms of **standard deviation** of returns of the fund systematic risk. On the other hand is measured in terms of **Beta,** which represents t1uctuations in the NA V of the fund vis-à-vis market. The more responsive the NA V of a mutual fund is to the changes in the market; higher will be its beta. Beta is calculated by relating the returns on a mutual fund with the returns in the market. While unsystematic risk can be diversified through investments in a number of instruments, systematic risk cannot.

By using the risk return relationship, we try to assess the competitive strength of the mutual funds vis-à-vis one another in a better way:

In order to determine the risk-adjusted returns of investment portfolios, several eminent authors have worked since 1960s to develop composite performance indices to evaluate a portfolio by comparing alternative portfolios within a particular risk class.

The most important and widely used measures of performance are:

- **The Treynor Measure**
- **The Sharpe Measure**
- **Jenson Model**
- **Fama Model**

The Treynor Measure

Developed by Jack Treynor, this performance measure evaluates funds on the basis of Treynor's Index. This Index is a ratio of return generated by the fund over and above risk free rate of return (generally taken to be the return on securities backed by the government, as there is no credit risk associated), during a given period and systematic risk associated with it (beta). Symbolically, it can be represented as:

Treynor's index **(Ti) = (Ri - Rf)/Bi**

Where, **Ri**represents return on fund, **Rf**is risk free rate of return and **Bi** is beta of the fund.

All risk-averse investors would like to maximize this value. While a high and positive Treynor's Index shows a superior risk-adjusted performance of a fund, a low and negative Treynor's Index is an indication of unfavorable performance.

The Sharpe Measure

In this model, performance of a fund is evaluated on the basis of Sharpe Ratio, which is a ratio of returns generated by the fund over and above risk free rate of return and the total risk associated with it. According to Sharpe, it is the total risk of the fund that the investors are concerned about. So, the model evaluates funds on the basis of reward per unit of total risk. Symbolically, it can be written as:

Sharpe Index **(Si) = (Ri – Rf)/Si**

Where, **Si** is standard deviation of the fund.

While a high and positive Sharpe Ratio shows a superior risk-adjusted performance of a fund, a low and negative Sharpe Ratio is an indication of unfavorable performance.

Comparison of Sharpe and Treynor

Sharpe and Treynor measures are similar in a way, since they both divide the risk premium by a numerical risk measure. The total risk is appropriate when we are evaluating the risk return relationship for well diversified portfolios. On the other hand, the systematic risk is the relevant measure of risk when we are evaluating less than fully diversified portfolios or individual stocks. For a well-diversified portfolio the total risk is equal to systematic risk. Rankings based on total risk (Sharpe measure) and systematic risk (Treynor measure) should be identical for a well-diversified portfolio,as the total risk is reduced to systematic risk. Therefore, a poorly diversified fund that ranks higher on Treynor measure, compared with another fund that is highly diversified, will rank lower on Sharpe Measure.

Jenson Model

Jenson's model proposes another risk adjusted performance measure.

This measure was developed by Michael Jenson and is sometimes referred to as the Differential Return Method. This measure involves evaluation of the returns that the fund has generated vs. the returns actually expected out of the fund given the level of its systematic risk. The surplus between the two returns is called Alpha, which measures the performance of a fund compared with the actual returns over the period. Required return of a fund at a given level of risk **(Bi)** can be calculated as: **Ri＝ Rf+ Bi (Rm – Rf)**

Where, **Rm**is average market return during the given period. After calculating it alpha can be obtained by subtracting required return from the actual return of the fund.

Higher alpha represents superior performance of the fund and vice versa. Limitation of this model is that it considers only systematic risk not the entire risk associated with the fund and an ordinary investor cannot mitigate unsystematic risk, as his knowledge of market is primitive.

The Eugene Fama model is an extension of Jenson model. This model compares the performance, measured in terms of returns, of a fund with the required return commensurate with the total risk associated with it. The difference between these two is taken as a measure of the performance of the fund and is called net selectivity.

The net selectivity represents the stock selection skill of the fund manager, as it is the excess return over and above the return required to compensate for the total risk taken by the fund manager. Higher value of which indicates that fund manager has earned returns well above the return commensurate with the level of risk taken by him.

Required return can be calculated as: $\mathbf{Ri = Rf + Si/Sm*(Rm - Rf)}$

Where, **Sm**is standard deviation of market returns. The net selectivity is then calculated by subtracting this required return from the actual return of the fund. Among the above performance measures, two models namely, Treynor measure and Jenson model use systematic risk based on the premise that the unsystematic risk is diversifiable. These models are suitable for large investors like institutional investors with high risk taking capacities as they do not face paucity of funds and can invest in a number of options to dilute some risks.

For them, a portfolio can be spread across a number of stocks and sectors. However, Sharpe measure and Fama model that consider the entire risk associated with fund are suitable for small investors, as the ordinary investor lacks the necessary skill and resources to diversified. Moreover, the selection of the fund on the basis of superior stock selection ability of the fund manager will also help in safeguarding the money invested to a great extent. The investment in funds that have generated big returns at higher levels of risks leaves the money all the more prone to risks of all kinds that may exceed the individual investors' risk appetite.

Sector Mutual Funds:

Sector mutual funds are those mutual funds that restrict their investments to a particular segment or sector of the economy. Also known as thematic funds, these funds concentrate on one industry such as infrastructure, banking, technology, energy, real estate, power heath care, FMCG, pharmaceuticals etc. The idea is to allow investors to place bets on specific industries or sectors, which have strong growth potential.

These funds tend to be more volatile than funds holding a diversified portfolio of securities in many industries. Such concentrated portfolios can produce tremendous gains or losses, depending on whether the chosen sector is in or out of favour. Sectoral mutual funds come in the high risk high reward category and are not suitable for investors having low risk appetite.

Generally, mutual fund houses avoid launching sectoral funds as they are seasonal in nature and do well only in cycles. Since these funds focus on just one sector of the economy, they limit diversification and the fund manager's ability to capitalize on other sectors, if the specific sectors aren't doing well. Unless a particular sector is doing very well and its long term growth prospects look bright, it advisable not to trade in sector funds.

Value funds are those mutual funds that tend to focus on safety rather than growth, and often choose investments providing dividends as well as capital appreciation. They invest in companies that the market has overlooked, and stocks that have fallen out of favour with mainstream investors, either due to changing investor preferences, a poor quarterly earnings report, or hard times in a particular industry.

Investing in value fund involves identifying fundamentally sound stocks that are trading at a discount to their fair value. The fund manager buys these stocks and holds them until the stock bounce backs to its fair value. The fund managers identify undervalued stocks in the market on the basis of fundamental analysis techniques. In this process stocks with low price to earnings ratios are tagged. These stocks are then closely reviewed to see which ones have the greatest growth potential and are paying high dividends.

Negatives of Value Funds

Though value funds are perceived as safe investments, since they have low volatility and are long-term investments, in reality it may not be so. These undervalued stocks can trade at discounted prices for an extended period of time, thereby reducing the amount of return relative to the risk associated with the investment.

Suitability of Value Funds

Value style of investing works particularly well during a bear phase in the stock markets. During this time, the fund manager has more opportunities to invest in stocks trading at a discount to their fair value. By buying low and selling high, value funds take on lower risk than growth funds, which tend to buy high and sell higher. Thus value funds are particularly suitable for investors with a moderate risk profile. As value funds react slowly to market movements, they can be a good instrument of investment for those investors who are due to retire shortly.

Sector Funds invest in a single type of industry, or in other words, a single sector. Sector funds can be highly profitable. ,

Definition and features of the Sector Funds:

The Sector Funds are those types of mutual funds which accumulate stocks of particular sector.

In other words sector funds invest in a single type of industry, like Information Technology, Telecommunication, Pharmaceuticals, Infrastructure, etc.

The Sector Funds are structured in this particular manner in order to take advantage of growth of particular type of industry. The Sector Funds can offer tremendous profit to the investor if the funds are carefully chosen. The authorities to the Sector Funds in India are the Association of Mutual Funds of India (AMFI), which operates in accordance with the laid down guidelines of the Securities and Exchange Board of India (SEBI). Moreover, investments in Sector Funds offer tax exemptions to the investors (Chapter III of the Income Tax Act, 1961). With the growth of the Indian industries the financial markets have undergone tremendous transformation. The rise of different sectors has necessitated structuring of sector specific funds to attract substantial amount of money for the growth of a specific sector in India.

Sector- Specific Funds in India are those funds which make investments in those sectors that have been specified in the prospectus of the funds. The various sectors in which the Sector- Specific Funds in India make investments are software, petroleum stocks, power, and pharmaceuticals.

Mutual Fund in India:

Mutual fund in India is a sort of trust that collects money from many investors and is managed by a group of fund managers. Mutual fund in India makes investments in call money, equities, debentures, and bonds.

The current value of Mutual fund in India is calculated regularly and it is reflected in the fund's Net Asset Value (NAV) that is declared at regular intervals of time. The Net Asset Value (NAV) of the Mutual fund in India keeps fluctuating with the changes that happen in the bond market and equity.

Definition of Sector- Specific Funds in India:

Sector- Specific Funds in India are those funds that make investments only in those industries or sectors that have been specified in the prospectus of the funds. Sector-Specific Funds in India usually make investments in sectors such as power, pharmaceuticals, petroleum, and technology. The amount of returns that Sector-Specific Funds in India give depends totally on the performance of the industries or sectors in which investments have been made. Sector- Specific Funds in India give very high returns but at the same time they are also very risky in comparison to the funds that are diversified. This is the reason that the investors that have invested in Sector- Specific Funds in India need to carefully watch the operation of those industries or sectors and then at the correct time make an exit.

Main mutual fund companies that have launched Sector- Specific Funds in India are:

- Prudential ICICI Mutual Fund
- Birla Sun Life Mutual Fund
- Franklin Templeton India Mutual Fun
- Unit Trust of India Mutual Fund

A sector fund is a mutual fund or exchange-traded fund that concentrates its investments in a single sector of the market. A sector is a slice of the market that is focused on the same line of business. For example, Bank of America is in the financial services sector, while Wal-Mart is in the consumer services sector.

Three Common Characteristics of Sector Funds

There are three characteristics that are common among sector funds:

1. Focused on stocks within a certain business or industry
2. Concentrated number of holdings
3. More volatile than the overall stock market

How Many Sectors Are There for Sector Funds?

It depends who you ask. There are several organizations which have formally divided the market into various sectors and subsets of sectors. In other words, Wal-Mart is in the consumer services sector, but it can be further categorized as a discount store. Bank of America and Allstate are both in the financial services sector, but upon further categorizing, Bank of America is in the banking sector while Allstate is in the insurance sector. You can invest in most of these sectors through a mutual fund or exchange-traded fund.

Morningstar and Sector Funds

As for sector fund investing, Morningstar takes a stab at labeling the various categories of sector funds in eight categories:

1. Technology
2. Financials
3. Communications
4. Utilities
5. Natural Resources
6. Healthcare
7. Real Estate
8. Precious Metals

Trendy Sector Funds

Although Morningstar's eight sectors are helpful in categorizing sector funds, the trend has been to identify an increasing number of sectors and create products (mutual funds, exchange-traded funds, etc.) based on those sectors. Your head might spin when you're trying to pick a fund in the healthcare sector. In that case, you might run across a fund focused on identifying companies that develop products and services that detect and treat cancer. You can also buy a fund that focuses on investing in companies that manage nursing homes and hospitals.

Should I Invest in a Sector Fund?

Should you invest in a sector fund? It depends. Do you want to try picking the hottest sector of the next decade? In 1999, the technology sector was all the rage until it stumbled in March 2000. The NYSE Arca Tech 100 Index (an index comprised of stocks of technology-related companies) is down 20% from December 1999 to December 2008.

Despite the volatility of individual sectors, such as the technology sector, investors may find sector funds useful depending on their needs.

Sector Funds for Diversification

If you're planning a steak dinner and only have a salad on the side, you might want to add another dish -- I like sweet potato casserole. Just the same, if you have a 401(k) that has limited investment options and you find yourself with a lack of representation in one sector or another, you can turn to sector funds in your IRA or brokerage account to fill the void.

If you invest in individual stocks and you're uncomfortable investing in stocks within a particular sector, then you may benefit from sector funds. You can diversify your portfolio by adding the neglected sector via a sector fund.

Sector Funds for Speculation

Speculative investing entails placing bets on stocks or funds that you think will soar in value. It's a risky proposition, as speculators generally try to make huge profits in a very short period. Although I am not a fan of speculative investing, if you want to speculate with a small portion of your portfolio based on a hunch you have about a particular stock, you might be better off buying the sector fund that holds the stock. That way, if you're wrong about the stock, at least you are diversified among your other holdings.

How Do I Invest in a Sector Fund?

Many fund companies offer sector funds. Fidelity has 43 sector mutual funds and Vanguard has more than 30 sector funds -- including mutual funds and ETFs. Clearly, there is no shortage of sector funds. If you decide to make a sector bet, do your homework and make sure you are well diversified.

Evolution

Indian Stock Markets are one of the oldest in Asia. Its history dates back to nearly 200 years ago. The earliest records of security dealings in India are meager and obscure. The East India Company was the dominant institution in those days and business in its loan securities used to be transacted towards the close of the eighteenth century.

CHAPTER IV

DATA ANALYSIS

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INTERPRETATION

DATA ANALYSIS & INTERPRETATION

For analysis Net Asset Value (NAV) of the Four AMC'S for the period of 1st December 2021 to 22nd January 2022

Date	Market Level (NIFTY)	SBI Magnum Balanced Fund-Growth	LIC Nomura Balanced - Growth	Indiabulls blue chip fund-Growth	ICIC Prudential income fund-growth
22/01/2022	7376.65	92.37	73.93	13.58	44.94
21/01/2022	7357.00	91.38	73.04	13.31	45.01
20/01/2022	7381.8	91.24	73.07	13.39	44.84
19/01/2022	7420.35	92.12	74.02	13.67	44.75
18/01/2022	7561.65	91.30	73.33	13.50	44.72
15/01/2022	7467.4	92.89	74.55	13.78	44.74
14/01/2022	7557.9	94.20	76.08	13.95	44.92
13/01/2022	7587.2	94.63	76.46	14.05	45.05
12/01/2022	7527.45	94.93	76.91	14.01	45.10
11/01/2022	7611.65	95.46	77.47	14.12	45.13
08/01/2022	7673.35	95.87	77.98	14.17	45.09
07/01/2022	7788.05	95.25	77.48	14.09	45.07
06/01/2022	7828.4	96.38	79.26	14.44	45.04
05/01/2022	7924.55	96.29	79.50	14.48	45.03
04/01/2022	7938.45	96.34	79.34	14.43	45.01
01/01/2022	7897.8	97.43	80.44	14.71	44.98
31/12/2021	7938.6	96.99	79.96	14.67	44.93
30/12/2021	7929.2	96.61	79.80	14.60	44.95
29/12/2021	7863.2	96.76	79.98	14.66	44.92
28/12/2021	7888.75	96.67	79.97	14.63	44.97

23/12/2021	7830.45	96.27	79.65	14.53	44.96
22/12/2021	7829.4	96.13	79.55	14.53	44.90
21/12/2021	7745.65	95.44	79.15	14.41	44.87
18/12/2021	7828.9	95.55	79.33	14.48	44.96
17/12/2021	7783.05	95.37	78.79	14.38	45.09
16/12/2021	7725.25	95.68	79.15	14.52	45.06
15/12/2021	7659.15	94.91	78.47	14.29	44.94
14/12/2021	7558.2	94.55	78.28	14.22	44.92
11/12/2021	7699.6	94.08	78.08	14.11	45.02
10/12/2021	7643.3	93.99	78.04	14.04	44.98
09/12/2021	7695.5	94.32	78.68	14.16	44.99
08/12/2021	7738.5	93.94	78.34	14.00	45.00
07/12/2021	7816.55	94.82	79.28	14.22	45.11
04/12/2021	7817.6	95.28	79.88	14.34	45.08
03/12/2021	7902.3	95.46	79.90	14.34	45.24
02/12/2021	7976.7	95.74	80.53	14.45	45.15
01/12/2021	7958.15	96.06	81.00	14.56	45.18
Average	**7722.38**	**94.93**	**78.07**	**14.21**	**44.91**

Calculations of Risk of SBI Magnum Balanced Fund- Growth

For the period of 1st December 2021 to 22nd January 2022

Date	Market Level (NIFTY)	Returns	SBI Magnum Balanced Fund- Growth	Returns
22/01/2022	7376.65		92.37	
21/01/2022	7357.00	**-19.65**	91.38	**-0.99**
20/01/2022	7381.8	**24.8**	91.24	**-0.14**
19/01/2022	7420.35	**38.55**	92.12	**0.88**
18/01/2022	7561.65	**141.3**	91.30	**-0.82**
15/01/2022	7467.4	**-94.25**	92.89	**1.59**
14/01/2022	7557.9	**90.5**	94.20	**1.31**
13/01/2022	7587.2	**29.3**	94.63	**0.43**
12/01/2022	7527.45	**-59.75**	94.93	**0.3**
11/01/2022	7611.65	**84.2**	95.46	**0.53**
08/01/2022	7673.35	**61.7**	95.87	**0.41**
07/01/2022	7788.05	**114.7**	95.25	**-0.62**
06/01/2022	7828.4	**40.35**	96.38	**1.13**
05/01/2022	7924.55	**96.15**	96.29	**-0.09**
04/01/2022	7938.45	**13.9**	96.34	**0.05**
01/01/2022	7897.8	**-40.65**	97.43	**1.09**
31/12/2021	7938.6	**40.8**	96.99	**-0.44**
30/12/2021	7929.2	**-9.4**	96.61	**-0.38**
29/12/2021	7863.2	**-66**	96.76	**0.15**
28/12/2021	7888.75	**25.55**	96.67	**-0.09**
23/12/2021	7830.45	**-58.3**	96.27	**-0.4**
22/12/2021	7829.4	**-1.05**	96.13	**-0.14**
21/12/2021	7745.65	**-83.75**	95.44	**-0.69**

18/12/2021	7828.9	**83.25**	95.55	**0.11**
17/12/2021	7783.05	**-45.85**	95.37	**-0.18**
16/12/2021	7725.25	**-57.8**	95.68	**0.31**
15/12/2021	7659.15	**-66.1**	94.91	**-0.77**
14/12/2021	7558.2	**-100.95**	94.55	**-0.36**
11/12/2021	7699.6	**141.4**	94.08	**-0.47**
10/12/2021	7643.3	**-56.3**	93.99	**-0.09**
09/12/2021	7695.5	**52.2**	94.32	**0.33**
08/12/2021	7738.5	**43**	93.94	**-0.38**
07/12/2021	7816.55	**78.05**	94.82	**0.88**
04/12/2021	7817.6	**1.05**	95.28	**0.46**
03/12/2021	7902.3	**84.7**	95.46	**0.18**
02/12/2021	7976.7	**74.4**	95.74	**0.28**
01/12/2021	7958.15	**-18.55**	96.06	**0.32**
Average		**15.74**		**0.153**

Stranded Deviation (SD) **1.48** **0.08**

Beta **0.57**

Graphical Presentation of SBI Magnum Balanced Fund-Growth For the month of January 2022

Interpretation:

SBI Magnum Balanced Fund-Growth has been analyzed and it is found that there is a positive growth. However on the basis of the avg returns of SBI there is a growth 0.15 as against the index avg of 14.74 the beta being less than 1 the stock is not highly volatile.

Calculations of Risk of LIC Nomura Balanced -Growth

For the period of 1st December 2021 to 22nd January 2022

Date	Market Level (NIFTY)	returns	LIC Nomura Balanced - Growth	returns
22/01/2022	7376.65		73.93	
21/01/2022	7357.00	-19.65	73.04	-0.89
20/01/2022	7381.8	24.8	73.07	0.03
19/01/2022	7420.35	38.55	74.02	0.95
18/01/2022	7561.65	141.3	73.33	-0.69
15/01/2022	7467.4	-94.25	74.55	1.22
14/01/2022	7557.9	90.5	76.08	1.53
13/01/2022	7587.2	29.3	76.46	0.38
12/01/2022	7527.45	-59.75	76.91	0.45
11/01/2022	7611.65	84.2	77.47	0.56
08/01/2022	7673.35	61.7	77.98	0.51
07/01/2022	7788.05	114.7	77.48	-0.5
06/01/2022	7828.4	40.35	79.26	1.78
05/01/2022	7924.55	96.15	79.50	0.24
04/01/2022	7938.45	13.9	79.34	-0.16
01/01/2022	7897.8	-40.65	80.44	1.1
31/12/2021	7938.6	40.8	79.96	-0.48
30/12/2021	7929.2	-9.4	79.80	-0.16
29/12/2021	7863.2	-66	79.98	0.18
28/12/2021	7888.75	25.55	79.97	-0.01
23/12/2021	7830.45	-58.3	79.65	-0.32
22/12/2021	7829.4	-1.05	79.55	-0.1

21/12/2021	7745.65	-83.75	79.15	-0.4
18/12/2021	7828.9	83.25	79.33	0.18
17/12/2021	7783.05	-45.85	78.79	-0.54
16/12/2021	7725.25	-57.8	79.15	0.36
15/12/2021	7659.15	-66.1	78.47	-0.68
14/12/2021	7558.2	-100.95	78.28	-0.19
11/12/2021	7699.6	141.4	78.08	-0.2
10/12/2021	7643.3	-56.3	78.04	-0.04
09/12/2021	7695.5	52.2	78.68	0.64
08/12/2021	7738.5	43	78.34	-0.34
07/12/2021	7816.55	78.05	79.28	0.94
04/12/2021	7817.6	1.05	79.88	0.6
03/12/2021	7902.3	84.7	79.90	0.02
02/12/2021	7976.7	74.4	80.53	0.63
01/12/2021	7958.15	-18.55	81.00	0.47
Average		**16.15**		**0.19**

Stranded Deviation (SD) **1.48** **0.04**

Beta **0.42**

Graphical Presentation of LIC Nomura Balanced -Growth For the month of January 16

Interpretation:

LIC Nomura Balanced –Growth have been analyzed and it is found that there is a negative growth. However on the basis of the avg returns of LIC Nomura Balanced –Growth there is a negative growth 0.14as against the index avg of negative 0.19 the beta being less than 1 the stock is not highly volatile.

Calculations of Risk of Indiabulls blue chip fund-Growth

For the period of 1st December 2021 to 22nd January 2022

Date	Market Level (NIFTY)	Return	Indiabulls blue chip fund-Growth	Return
22/01/2022	7376.65		13.58	
21/01/2022	7357.00	-19.65	13.31	-0.27
20/01/2022	7381.8	24.8	13.39	0.08
19/01/2022	7420.35	38.55	13.67	0.28
18/01/2022	7561.65	141.3	13.50	-0.17
15/01/2022	7467.4	-94.25	13.78	0.28
14/01/2022	7557.9	90.5	13.95	0.17
13/01/2022	7587.2	29.3	14.05	0.1
12/01/2022	7527.45	-59.75	14.01	-0.04
11/01/2022	7611.65	84.2	14.12	0.11
08/01/2022	7673.35	61.7	14.17	0.05
07/01/2022	7788.05	114.7	14.09	-0.08
06/01/2022	7828.4	40.35	14.44	0.35
05/01/2022	7924.55	96.15	14.48	0.04
04/01/2022	7938.45	13.9	14.43	-0.05
01/01/2022	7897.8	-40.65	14.71	0.28
31/12/2021	7938.6	40.8	14.67	-0.04
30/12/2021	7929.2	-9.4	14.60	-0.07
29/12/2021	7863.2	-66	14.66	0.06
28/12/2021	7888.75	25.55	14.63	-0.03
23/12/2021	7830.45	-58.3	14.53	-0.1
22/12/2021	7829.4	-1.05	14.53	0

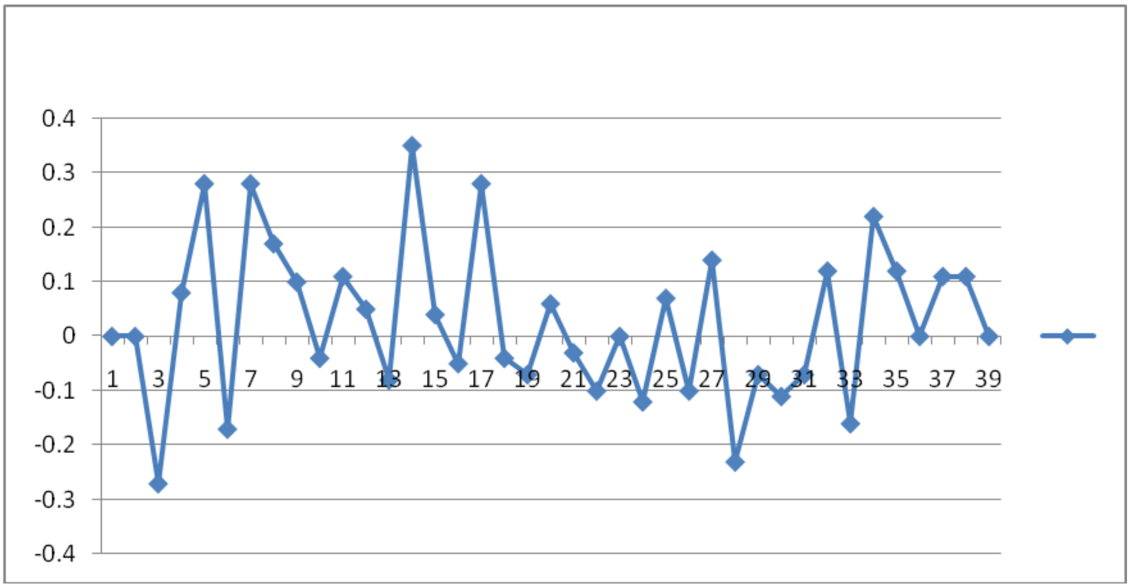
21/12/2021	7745.65	-83.75	14.41	-0.12
18/12/2021	7828.9	83.25	14.48	0.07
17/12/2021	7783.05	-45.85	14.38	-0.1
16/12/2021	7725.25	-57.8	14.52	0.14
15/12/2021	7659.15	-66.1	14.29	-0.23
14/12/2021	7558.2	-100.95	14.22	-0.07
11/12/2021	7699.6	141.4	14.11	-0.11
10/12/2021	7643.3	-56.3	14.04	-0.07
09/12/2021	7695.5	52.2	14.16	0.12
08/12/2021	7738.5	43	14.00	-0.16
07/12/2021	7816.55	78.05	14.22	0.22
04/12/2021	7817.6	1.05	14.34	0.12
03/12/2021	7902.3	84.7	14.34	0
02/12/2021	7976.7	74.4	14.45	0.11
01/12/2021	7958.15	-18.55	14.56	0.11
Average		**16.15**		**0.02**

Stranded Deviation (SD) **1.48** **0.01**

Beta **0.12**

Graphical Presentation of Indiabulls blue chip fund-Growth

For the month of January 16



Interpretation:

Indiabulls blue chip fund-Growth have been analyzed and it is found that there is a positive growth. However on the basis of the avg returns of **Indiabulls blue chip fund-Growth** there is a negative growth 0.02 as against the index avg of negative 0.02 the beta being less than 0.12 the stock is not highly volatile.

Calculations of ICIC Prudential income fund-growth

For the period of 1st December 2021 to 22nd January 2022

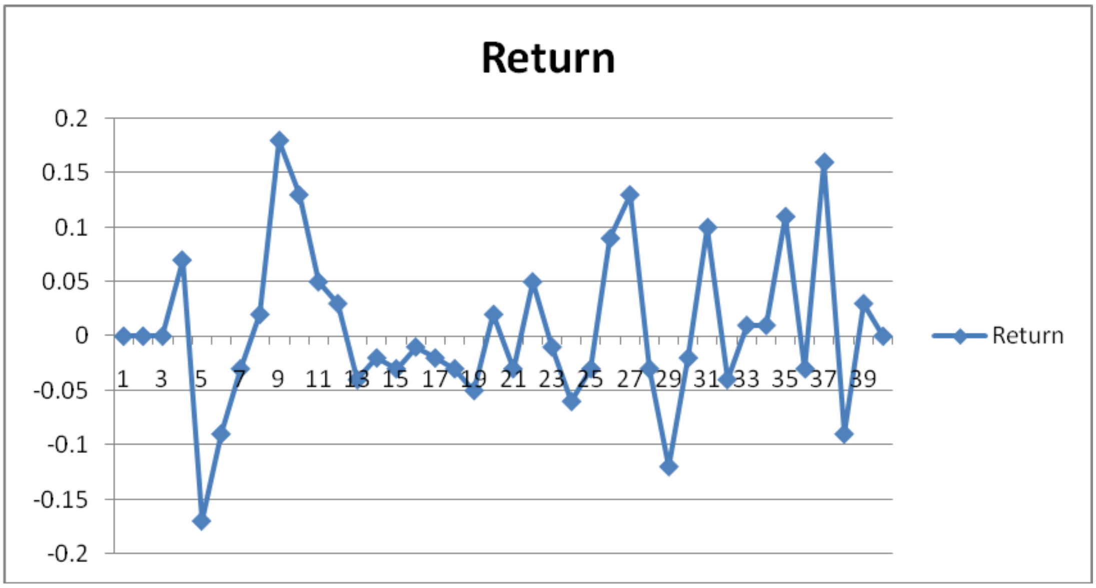
Date	Market Level (NIFTY)	Return	ICIC Prudential income fund-growth	Return
22/01/2022	7376.65		44.94	
21/01/2022	7357.00	-19.65	45.01	0.07
20/01/2022	7381.8	24.8	44.84	-0.17
19/01/2022	7420.35	38.55	44.75	-0.09
18/01/2022	7561.65	141.3	44.72	-0.03
15/01/2022	7467.4	-94.25	44.74	0.02
14/01/2022	7557.9	90.5	44.92	0.18
13/01/2022	7587.2	29.3	45.05	0.13
12/01/2022	7527.45	-59.75	45.10	0.05
11/01/2022	7611.65	84.2	45.13	0.03
08/01/2022	7673.35	61.7	45.09	-0.04
07/01/2022	7788.05	114.7	45.07	-0.02
06/01/2022	7828.4	40.35	45.04	-0.03
05/01/2022	7924.55	96.15	45.03	-0.01
04/01/2022	7938.45	13.9	45.01	-0.02
01/01/2022	7897.8	-40.65	44.98	-0.03
31/12/2021	7938.6	40.8	44.93	-0.05
30/12/2021	7929.2	-9.4	44.95	0.02
29/12/2021	7863.2	-66	44.92	-0.03
28/12/2021	7888.75	25.55	44.97	0.05
23/12/2021	7830.45	-58.3	44.96	-0.01

22/12/2021	7829.4	-1.05	44.90	-0.06
21/12/2021	7745.65	-83.75	44.87	-0.03
18/12/2021	7828.9	83.25	44.96	0.09
17/12/2021	7783.05	-45.85	45.09	0.13
16/12/2021	7725.25	-57.8	45.06	-0.03
15/12/2021	7659.15	-66.1	44.94	-0.12
14/12/2021	7558.2	-100.95	44.92	-0.02
11/12/2021	7699.6	141.4	45.02	0.1
10/12/2021	7643.3	-56.3	44.98	-0.04
09/12/2021	7695.5	52.2	44.99	0.01
08/12/2021	7738.5	43	45.00	0.01
07/12/2021	7816.55	78.05	45.11	0.11
04/12/2021	7817.6	1.05	45.08	-0.03
03/12/2021	7902.3	84.7	45.24	0.16
02/12/2021	7976.7	74.4	45.15	-0.09
01/12/2021	7958.15	-18.55	45.18	0.03
Average		**16.15**		**0.006**

Stranded Deviation (SD) **1.48** **0.002**

Beta **0.08**

Graphical presentation of ICIC Prudential income fund-growth)For the month of January



Interpretation:

ICIC Prudential income fund-growth has been analyzed and it is found that there is a negative growth. However on the basis of the avg returns of **ICIC Prudential income fund-growth** there is a negative growth 0.02 as against the index avg of negative 0.02 the beta being less than 0.08 the stock is not highly volatile.

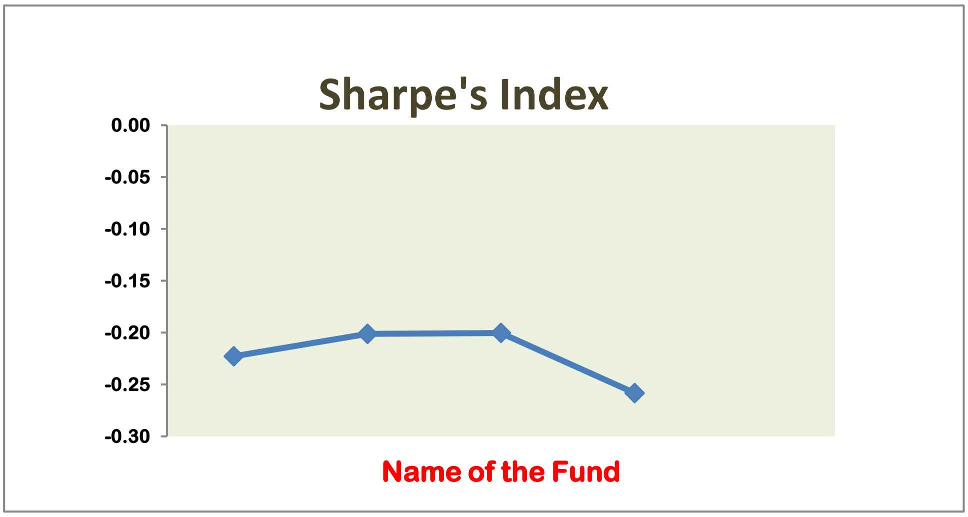
Comparative Study of the performance of the Selected AMC's

Sharp index and Treynor index are calculated

For the month of January 22

Name of the Fund	**Return (Rm)**	**Risk(stddev)**	**Beta (β)**	**Rf**	**Sharpe's** (Rm-Rf)/σ	**Treynor** (Rm-Rf)/β
SBI Magnum Balanced Fund- Growth	0.153	0.08	0.57	0.06	1.16	0.26
LIC Nomura Balanced – Growth	0.19	0.04	0.47	0.06	3.25	0.27
Indiabulls blue chip fund-Growth	0.02	0.01	0.12	0.06	-4.00	-0.33
ICIC Prudential income fund-growth	0.006	0.002	0.08	0.06	-2.7	-0.67

The graphical representation of Sharp Index:

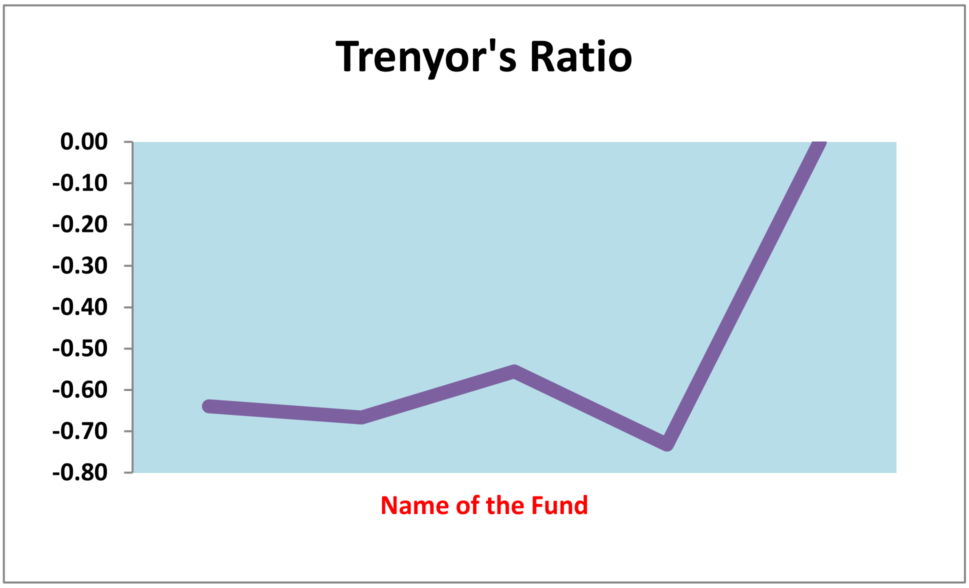


Interpretation:

From the above table and graph we can know that **LIC Nomura Balanced -Growth** and **SBI Magnum Balanced Fund- Growth** are giving good returns and they are in first position,

- And the second position is SBI

The graphical representation of TREYNER Index:



Interpretation:

- From the above table and graph we can know **LIC Nomura Balanced - Growth** is performing well and it is in first position
- And the second position is **SBI Magnum Balanced Fund- Growth** I
- The general trend in the reduction of the market price for various mutual funds studied is not encouraging the stock market index has also been falling continuously because of general economic slowdown however the funds are ranked considering sharp and treynors in the order of performances

CHAPTER –V

FINDINGS

SUGGESTIONS

&

CONCLUSION

FINDINGS

SHARPE'S: As per Sharpe performance measure, a high Sharpe ratio is preferable as it indicates a superior risk adjusted performance of a fund. From the above table **LIC Nomura Balanced -Growth** and **SBI** show a better risk-adjusted performance out of top4 AMC'S.

TREYNOR's: As per TREYNOR'S ratio the Treynor's reward to volatility **-** having high positive index is favorable. Therefore, as per this ratio also **LIC Nomura Balanced -Growth** is preferable.

SUGGESTIONS

- Investing Checklist
- Financial goals & Time frame
- (Are you investing for retirement? A child's education? Or for current income?)
- Risk Taking Capacity
- Identify funds that fall into your Buy List
- Obtain and read the offer
- Documents match your objectives
- In terms of equity share and bond weightings, downside risk
- protection, tax benefits offered, dividend payout policy, sector focus
- Performance of various funds with similar objectives for at least 3-5 years
- Think hard about investing in sector funds For relatively aggressive investors
- Close touch with developments in sector, review portfolio regularly – Look for `load' costs
- Management fees, annual expenses of the fund and sales loads
- Look for size and credentials
- Asset size less than Rs. 25 Crores
- Diversify, but not too much
- Invest regularly, choose the S-I-P
- MF- an integral part of your savings and wealth building plans.

CONCLUSIONS

- From the study analysis conducted it is clear that in EQUITY FUNDS- SBI MUTUAL FUND is performing very well.
- Investing in the **LIC Nomura Balanced -Growth** will leads to profits.
- By seeing the overall performance SBI MUTUAL FUND is performing very well.
- The prospective investors are needed to be made aware of the investment in mutual funds.
- The Industry should keep consistency and transparency in its management and investors objectives.
- There is 100% growth of mutual fund as foreign AMCS are in queue to enter the Indian markets.

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