



Master of Business Administration in Finance

Semester III

1. Entrepreneurship
2. Elective - I - Financial Derivatives
3. Elective - II - International Financial Management
4. Project Management
5. Project Work Diary
6. Summer Internship Report
7. Elective - III - Risk Management

Entrepreneurship

1. Foundations of Entrepreneurship : nature of Entrepreneurship, social & cultural factors in nurturing entrepreneurship. Institutional support for promoting entrepreneurship in India, role of Universities & Colleges, CSIR labs . Case study of incubation.
2. Business Planning: from idea generation to preparation of detailed business plans. Exercises in preparation of business plans .
3. Venture Capital: valuing and financing a venture, stages of venture development and financing , venture capital firms (VC ' s) venture expansion strategies.
4. Rural & social entrepreneurship: potential for entrepreneurship in rural India, SHGs, micro credit etc. , Case studies of rural & social entrepreneurship in India .
5. Entrepreneurs in India: family entrepreneurs, women entrepreneurs.

References :

1. Entrepreneurship – Prof. T.V. Rao
2. Entrepreneurship – Hisrich & Peter
3. Entrepreneurship- Mathew J Manimala

Financial Derivatives

Unit 1-

Introduction to Derivatives: forwards , Futures, options, swaps , trading mechanisms, Exchanges, Clearing house (structure and operations, regulatory frame work) , Floor brokers, Initiating trade , Liquidating or Future position , Initial margins , Variation margins, Types and orders. future commission merchant .

Unit 2-

Forward and Future Contracts : forward contracts, futures contracts, Financial futures , Valuation of forward and future prices , Stock index futures, Valuation of stock index futures, Hedging using futures contracts, Hedging using stock index future contracts, Index futures, Adjusting BETA of a portfolio using stock . Interest rate futures and currency futures .

Unit 3-

Options Contracts and Trading Strategies : characteristics of options contracts, trading strategies.

Unit 4-

Valuation of options – graphic analysis of call and put values, characteristics of option values, Models of valuation; Binomial and Black and Scholes model . Option Greeks.

Unit 5-

Commodity future market : forward market commission ; exchanges trading mechanism.

International Financial Management

Unit 1-

International Financial Management: Structure of foreign exchange market: the balance of payments , international monetary system –I.M.F, the nature of global capital flows – FDI, FII , Private equity and hedge funds.

Unit 2-

Exchange rate determination: structural models of exchange rate determination– IRP and PP Parity , exchange rate forecasting . Transfer pricing and netting.

Unit 3-

The foreign exchange market : structure, types of transactions, quotations and Arbitrage. Exchange rate regimes – foreign exchange market in India .

Unit 4-

Measurement of exposure and Risk: classification, transaction,translation and operating exposures. Management of exposures .Hedging , forwards , currency futures, options , swaps and hedging with money market.

Unit 5-

Management of interest rate exposure: FRA interest rate caps and floors. Financial swaps – types-motivation application of swaps . GDR ,ADR .

Suggested Readings-

1. Buckley, Adrian – Multinational Finance , New York , Prentice Hall Inc.m 1996
2. Kim, Sukand Kim, Seung – Global Corporate Finance : Text and Cases, 2nd ed. Miami Florida, Kolb, 1993.
3. Shapiro, Alan C – Multinational Financial Management, New Delhi, Prentice Hall of India1995.
4. International Financial Management by P.G . Apte , Mc Graw Hill.
5. International Financial Management by Jeff Madura.

Project Management

1. Project Management: concepts & key terms, evolution of integrated project management system, aligning projects with organization strategy , effective project portfolio management system, project life cycle, feasibilities of projects-different forms of project contracting.
2. Project Scope Management: defining Project scope , creating work break down structure (WBS) , project roll up , process break down structure , responsibility matrix .
3. Project Scheduling: network models, PERT & CPM using softwares , measuring risk.
4. Project Risk Management : contingency resources, reducing project duration .
5. Project Team Management : building high -performance project teams, managing virtual project teams, project control process. Performance measurement and evaluation , project quality, planning, quality assurance, quality audit, project closure, post completion audit .

References:

1. Project Management by Clifford Gray and Larson.
2. The practice and theory of project management creating value through change – Newton, Richard – 2009, Hampshire, Palgrave Pub.
3. Effective project Management– Clements, James P & Gido Jack – 2006, New Delhi, Cengage Learning.
4. Project Management: Amanagerial approach – Meredith, Jack . R & Mantel Samuel.J – 2006 , New Delhi, John Wiley & Sons.

Risk Management

Unit 1-

Introduction: Concept of Risk & Return- Risk vs. Return for Investors, The Efficient Frontier, The Capital Asset Pricing Model, Arbitrage Pricing Theory, Multi factor Model, Risk vs. Return for Companies, Risk Management by Financial Institutions.

Unit 2-

Trading in Financial Markets- The Markets, Long and Short Positions in Assets, Derivatives Markets, Plain Vanilla Derivatives, Clearing Houses, Margin, Non-Traditional Derivatives, Exotic Options and Structured Products, Risk Management Challenges.

Unit 3-

Managing Risk- Delta, Gamma, Vega, Theta, Rho, Calculating Greek Letters, Realities of Hedging, Hedging Exotic Options, Option Pricing.

Unit 4-

Foreign Exchange Exposure and Risk Management- Exchange rate determination, Foreign currency markets, Foreign currency derivatives, Forwards , futures , options and Swaps, Hedging currency risk.

Unit 5-

Interest Rate Risk- Interest rate derivatives and Swaps, The Management of Net Interest Income, LIBOR and Swap Rates, Duration, Convexity.

References:

1. Risk Management and Financial Institutions by John C. Hull's.