



BHARATI VIDYAPEETH UNIVERSITY, PUNE

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‘A’ Grade Accreditation by NAAC

Social Transformation Through Dynamic Education...

SCHOOL OF DISTANCE EDUCATION

PROGRAMME GUIDE

OF

DIPLOMA IN FINANCIAL MANAGEMENT

(DFM)

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Course: Diploma in Financial Management

The Diploma in Financial Management programme is of one years duration comprising of Sem –I & Sem-II,

1. **Aims and objectives of the course: -**
 - a) To equip students with knowledge and skills to be able to perform their role as versatile and integrated business executives.
 - b) To cultivate competencies for performing both as strategists and recipients in the national and international context of change.
2. **Nomenclature of the course: - Annexure – I**
3. **Abbreviation of the course: DFM**
4. **Name of the faculty: - Faculty of Management**
5. **Academic year in which course has been initiated: - 2011-12**
6. **Eligibility criteria for admission to the course:**
 - A) A three – year bachelor’s degree or equivalent in any discipline from a recognized University
7. **Teaching scheme of the course:**

The Personal Contact Sessions and Seminars will be conducted at the Academic Study Centers during weekends (Sundays or Saturdays) and Public holidays. There will be 50 hours devoted to these sessions for theory as well as practical work.

8. **Structure of the course: - There is one semester consisting of 05 courses**
9. **Standard of Passing: -**

In order to pass the course, a candidate will have to obtain minimum 40% marks in each head of passing.

Student is required to pass separately Internal and External Evaluation as per given below in the table:

Evaluation	Maximum Marks	Minimum Passing Marks
Internal	30	12
External	70	28

To pass the examination a student must obtain 50% of marks in aggregate and 40 % marks in Internal / External evaluation separately in each head of passing

10. **Rules pertaining to supplementary / reappearing in examinations, if not passed the examination as per rules of passing**

If a student fails to secure 40 % marks in Internal / External evaluation separately in each head of passing then he / she must appear in the subsequent Internal / External exam to pass in the examination

If a student fails to secure 50% marks in aggregate in the entire examinations then he / she must appear in the subsequent part I and II

11. Award of Classes: -

The award of class will be based on aggregate marks obtained by a student which is as follows;

First class with Distinction	70% & above
First Class	60% & above but less than 70%
Second Class	50% & above but less than 60%
Fail	Less than 50%

12. Rules for conduct of examinations

- a) Students would be required to keep a track of the last dates to pay examination fees, which will be announced well in advanced. Only those students who fulfill all the eligibility criteria shall be permitted to fill in the form.
- b) Students should procure their admit cards which will be given at the end of the semester before the examination for appear in the examination
- c) A student is expected to adhere to high standards of honesty during examination.
- d) During the examinations, students should not indulge in any unfair practices. If so, he shall be debarred from taking the remaining papers and may have to lose one semester or year depending upon the gravity of the offence.
- e) The result / mark –sheets have to be obtained from Academic Study Centre within 30 days of declaration of result.

13. Basis for allocation of marks for

- a) Internal Assessment: - 30 marks
- b) Theory (External evaluation) 70 Marks

14. Procedure for conduct of Internal Assessment

Every Student will have to submit two assignments for internal assessment for each subject.

15. Pattern of Evaluation and Examination & Procedure for the evaluation of Summer Training Project / Internship Projects and conduct of viva

The evaluation in each course shall consists of 100 marks (70 marks for Semester end examination and 30 marks for Internal Assessment)

A candidate will be evaluated in each course depending on learning objectives and requirements of the course contents.

The scheme of marks consists of 30% weight age to continuous internal evaluation by the Subject teacher and 70% to evaluation based on Semester –end Examination consisting of written papers. Oral or Viva – Voce examination based on Practical work, Study Project

The details of course – wise mode of evaluation and examination are as given below

Semester – end Examination	Subject Code / Course No.	Method of evaluation and Examination
Semester I	101 to 105	Written Papers of 3 hours duration with 70 marks each at Semester –end examination conducted by the University
Semester II	201 to 204	Written Papers of 3 hours duration with 70 marks each at Semester –end examination conducted by the University.
	205	Evaluation and Viva based on presentation on Study Project carrying 70 marks, conducted by the Department in association with industry professionals

16. Pattern of question paper

The final examination question paper for each subject has 2 sections i.e. I & II

a) Section –I is based on theoretical concepts.

b) Section –II is based on practical application and case studies.

Annexure- I
Nomenclature of the Diploma in Financial Management -

Sr. No.	Course No.	Subject
1.	101	Financial & Management Accounting
2.	102	Financial Management
3.	103	Management of Financial Institutions and Services
4.	104	Risk and Insurance Management
5.	105	Management Control System I

Semester –I

Semester –II

Sr. No.	Course No.	Subject
1.	201	Mergers and Acquisitions
2.	202	Investment Analysis and Portfolio Management
3.	203	Global Financial Analysis
4.	204	Corporate Taxation Planning
5.	205	Study Project and Viva

Course No. : 101
Course Title : FINANCIAL AND MANAGEMENT ACCOUNTING
Objectives :

To develop an insight into principles and techniques of accounting and utilization of financial and accounting information for planning, decision - making and control.

Course Contents:

- 1. Financial accounting - Introduction to accounting- Principles of accounting - Preparation of financial statements.**
- 2. Accounting for inventories, receivables and depreciation.**
- 3. Analysis of Financial Statement - Cash flow and fund flow statements - Ratio analysis.**
- 4. Management Accounting: Introduction, Cost Concepts, Job order, process and contract costing system, cost volume profit analysis.**
- 5. Activity based costing.**
- 6. Budgeting and budgeting control, standard costing and variance analysis.**
- 7. Recent developments in financial and management accounting.**
- 8. International accounting standards.**

Suggested readings:

- 1. Anthony R.N. and Reece J S. Accounting Principles, 6th ed., Homewood, Illinois, Richard D. Irwin, 1995.**
 - 2. Bhattacharya S.K. and Dearden J. Accounting for Management. Text and cases, New Delhi, Vikas 1996.**
 - 3. Hingorani, N.L. Ramanathan, A R. Management Accounting, 5th ed., New Delhi, Sultan Chand, 1992.**
 - 4. Hongren, Charles etc. Principles of Financial and Management Accounting, Englewood Cliffs, New Jersey, Prentice Hall Inc., 1994.**
 - 5. Needles, Belverd, etc. Financial and Managerial Accounting Boston, Houghton Mifflin Company, 1994.**
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Course No. : 102
Course Title : FINANCIAL MANAGEMENT
Objectives :

To acquaint students with the broad framework of financial decision making in a business unit.

Course Contents:

- 1. Introduction to Financial Management – Aims and objectives – Financial management system.**
- 2. Time Value of Money – Risk and return.**
- 3. Security Valuation – Leverage.**
- 4. Sources of Long Term Finance- Cost of Capital and structure.**
- 5. Capital expenditure decisions.**
- 6. Working Capital Management – Financing of current assets – Receivables and inventory management.**
- 7. Internal Financing and Dividend Policy – Dividend decision.**
- 8. Valuation of firm.**

Suggested readings:

- 1. Archer, Stephen H. etc. Financial Management, New York, John Wiley 1990**
 - 2. Bhalla, V.K. Financial Management and Policy, 2nd Ed., New Delhi, Anmol, 1998**
 - 3. Humpton, John. Financial Decisions Making, Englewood Cliffs, New Jersey, Prentice Hall Inc, 1997.**
 - 4. Van Home, James C. Financial Management and Policy, 10th ed., New Delhi. Prentice Hall of India, 1997.**
 - 5. Brigham, Eugene F. Financial Management: Theory and practice / Eugene F. Brigham, Louis C. Gapenski, and Michael C Ehrhardt – 9th Ed – Fort Worth: Dryden, 1999 ISBN: 0-03-024399-8.**
 - 6. Kapur, Sudarshan Kr. Financial Management: Theory and practice – New Delhi: S.K. Publishers, 1999 ISBN: 81-85701-11-3.**
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Course No. : 103-(FIN)

Course Title : MANAGEMENT OF
FINANCIAL INSTITUTIONS AND SERVICES

Objectives :

To acquaint the students with specific financial management problems of financial institutions including a detailed study of the working of the leading financial institutions in India.

Course Contents:

- 1. The role and importance of financial institutions.**
- 2. Financial management models and their applications in financial institutions; Application of the wealth maximization model to financial decisions.**
- 3. Evaluating risks and returns of assets and liabilities of financial institutions.**
- 4. Flow of fund analysis of the borrowing and lending behaviour of financial institutions; Interest rate analysis; interest rates in the financial system; Yield curve; Risk and inflation.**
- 5. Financial management of commercial banks; Banking law and regulation; Provisions of RBI's operations; Credit and monetary planning; Insurance companies; Thrift institutions; Development banks; Role of development banking in industrial financing in India; Capital adequacy and capital planning; Strategy of growth; Problems of time and cost over runs.**
- 6. Financial planning of financial institutions; Financial goals and proforma statements; Working and organization of different institutions in India like IFCI, ICICI, IDBI, UTI, LIC, MUTUAL Funds.**
- 7. International aspects of financial institutions.**

Suggested readings:

- 1. Bhalla, V.K. International Financial Management, 2nd ed., New Delhi. Anmil, 2001.**
 - 2. Bhalla, V.K. Managing International Investment and Finance. New Delhi, Anmil, 1997.**
 - 3. Buckley, Adrian. Multinational Finance. 3rd ed., Englewood Cliffs, Prentice Hall Inc., 1996.**
 - 4. Eiteman, David K and Stonehill, Arthur I. Multinational Business Finance. California, Addison – Wesley, 1988.**
 - 5. Johnson and Giaccotto. Options and Futures. St. Paul, West, 1995.**
 - 6. Kim, Suk and Kim, Seung. Global Corporate Finance : Text and Cases. 2nd ed., Miami, Florida, 1993.**
 - 7. Shapiro, Alam C. Multinational Financial Management. New Delhi. Prentice Hall of India, 1995.**
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Course No. : 104 (FIN)
Course Title : RISK AND INSURANCE MANAGEMENT
Objectives :

To provide students with broad perspective of Risk Management and to acquaint with essential details of Insurance Contracts & Markets.

Course Contents:

- 1. Introduction to risk management – Different meanings of risk and risk management process.**
- 2. Objectives of risk management – Risk and value maximization.**
- 3. Fundamentals of corporate risk management – Risk management and shareholders wealth.**
- 4. Loss financing methods – Derivatives.**
- 5. Introduction to insurance – Insurance market place – Regulatory framework.**
- 6. Principles of insurance contract – Documentation / Underwriting and claims.**
- 7. Insurance pricing – regulation of insurance companies in India – Marketing of insurance products and pension funds in India.**
- 8. Life insurance and other personal insurances.**

Suggested readings:

- 1. Risk and Insurance – Denenberg, Eilers, Melone, and Zelton.**
 - 2. Introduction to Insurance – Dorfman**
 - 3. Property and Liability Insurance – Huebner, Black and Cline**
 - 4. Insurance Principles and Practices – Riegel, Miller, and Williams**
 - 5. Life Insurance – Black and Skipper**
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Course No. : 105 (FIN)

Course Title : MANAGEMENT CONTROL SYSTEM

Objectives :

To acquaint the students with specific financial management problems of financial institutions including a detailed study of the working of the leading financial institutions in India.

Course Contents:

The Main Objective of the course is to appraise the students the about the concept of management control system as well as its role in efficient management of public system organizations.

Course contents:

- 1. Management control – An overview: Nature, scope and concept of management control systems.**
- 2. Organization goals, Strategic planning and implementations, Organisation structure, Contingency theory, Organizational climate position of controller in the organization structure of an organization.**
- 3. Management control process: Programming, budgetary planning and procedures. Budgetary control, analysis of variances, Flexible budgeting, Zero-base budgeting, Performance budgeting, Accounting aspects of control including internal audit and control and value for money, Analysis and reporting, Variance reporting.**
- 4. Management control structure: Responsibility center, Responsibility accounting, Cost center, Profit center, Inter-divisional transfer pricing, Measurement of divisional performance including performance evaluation – qualitative and quantitative, Investment center.**
- 5. Behavioural aspects of management control: Motivation and morale, Goal congruency, Participative and responsive management. Human as a part of information process, Learning curves.**
- 6. Management control in specialized organization: Selected case studies on non-profit and public service organizations.**

Suggested readings:

- 1. Anthony, R N and Govindrajana V. Management Control Systems. 8th ed., Taraporevala, Chicago, Irwin, 1995.**
- 2. Emmanuel, C and Otley, D. Accounting for Management Control. London, Nostrand Reinhold, 1985.**
- 3. Ghosh, P K and Gupta, G.S. Cost Analysis and Control. New Delhi, Vision, 1985.**
- 4. Glynn, J.J. Value for Money: Auditing in Public Sector. London, Prentice Hall Inc., 1985.**
- 5. Hersey, P and Blanchard, H.B. Management of Organization Behaviour: Utilising Human Resources. New Delhi Prentice Hall of India, 1988.**

6. Maciariello, J A and Kirby C.J. Management Control System. Englewood Cliffs, New Jersey, Prentice Hall of Inc., 1994.

Course No. : 201 (FIN)
Course Title : MERGERS AND ACQUISITIONS

Objectives :

The purpose is to study various aspects like analysis, accounting & regulation of mergers & takeovers against the SEBI guidelines.

Course Contents:

- 1. Types of and Motives For Business Combinations: A) Form of Business Combinations: Mergers Acquisitions. Takeovers. Amalgamation. Leveraged Buy-outs B) Motives for Businesses Combinations: Accelerated Growth. Enhance Profitability. Diversification of Risk. Tax Benefits. Financial Benefits. Increased Market Power etc.**
- 2. Analysis of Mergers: A) Planning: SWOT Analysis. Corporate Goals, Relevance of Product Market Strategies. Analysis of Industry Specific and Firm Specific Information. B) Search and Screening: How and Where to Look? Alternatives to Mergers: Is Merger the Best Alternative? C) Financial Evaluation: Determination of Cash – Flows. Areas of Risk. Purchase Consideration. Best Way to Finance the Merger.**
- 3. Regulation of Mergers and Takeovers: A) Companies Law B) Income-Tax Law C) SEBI Guidelines for Takeovers D) Other Applicable Laws.**
- 4. Accounting for Merges and Acquisitions: A) Accounting Standards in India. International Accounting Standards B) Pooling of Interests Method C) Purchase Method.**
- 5. International Business Combinations: A) Brief Study of Legal and Practical Aspects. International Business Combinations B) Joint Ventures Abroad C) Exchange Regulations in India Relating to Cross-Frontier Business Combinations.**

Suggested readings:

- 1. Mergers, Restructuring & Corporate Control – Weston, Chung & Hoag**
 - 2. Financial Management and Policy – Van Horne**
 - 3. Principles of Corporate Finance – Brealey and Myers**
 - 4. Financial Management – I.M. Pandey**
 - 5. Mergers and Takeovers – Legal and Practical Aspects – Institute of Charters Accountants of India.**
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Course No. : 202(FIN)

Course Title : INVESTMENT ANALYSIS AND PORTFOLIO MANAGEMENT

Objectives :

To provide students knowledge and understanding regarding the theory and practice of security analysis, investment decision making and portfolio management.

Course Contents:

- 1. Investment – return & risk.**
- 2. Risk & Return: Total Risk and its factors.**
- 3. Valuation of Equity Shares: Economic Analysis, Industry Analysis, Company Analysis.**
- 4. Valuation of Fixed Income Investments:**
- 5. Portfolio Management: Introduction to Portfolio Management, Capital Market Theory, Portfolio Analysis, Portfolio Management Strategies, Capital Asset Pricing Model, Portfolio Revision.**
- 6. Recent Developments in Investment Management.**

Suggested readings:

- 1. Amling, Frederic, Investment. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1983.**
 - 2. Bhalla, V.K. Investment Management: Security Analysis and Portfolio Management, 8th ed., New Delhi, S. Chand, 2001.**
 - 3. Fischer, Donald E. and Jordan, Ronald, J. Security Analysis and Portfolio Management, 6th ed., New Delhi, Prentice Hall of India, 1995.**
 - 4. Fuller, Russel J and Farrell, James L. Modern Investment and Security Analysis. New York, McGraw Hill, 1993.**
 - 5. Haugen, Robert H. Modern Investment Theory. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1987.**
 - 6. Huang, Stanley S.C. and Randall, Maury R. Investment Analysis and Management, London, Allyn and Bacon, London, 1987.**
 - 7. Sharpe, William F. etc. Investment, New Delhi, Prentice Hall of India, 1997.**
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Course No. : 203 (FIN)

Course Title: GLOBAL FINANCIAL ANALYSIS

Objectives:

The objective of this course is to give students in-depth knowledge of the working of international financial markets.

Course contents:

- 1. History of the international financial system – The rise and fall of bretton woods, Globalisation and the growth of derivatives, The crash of 1994-96 and beyond.**
- 2. Euro-currency market, Euro-banking and Euro-currency centers, Deposit dealing and the term structure of Euro-currency rates, Euro-currency futures and options, Syndicated Euro-term structure of Euro-currency rates, Euro-currency futures and options, Syndicated Euro-credits.**
- 3. International bond markets – Introduction, New issue procedures in the Eurobond markets, Eurobond valuation and hedging.**
- 4. Interest rates and currency swaps, Pricing option, Features of international bonds, Forecasting and the Image of the Future.**
- 5. Central Banks and the Balance of Payments.**
- 6. The European monetary system and other regional artificial currency areas**
- 7. New instruments in international capital markets, International banking and country risk.**

Suggested reading:

- 1. Bhalla, V.K. *International Financial Management*, 2nd ed., New Delhi, Anmol, 2001**
 - 2. Bhalla, V.K. *Managing International Investment and Finance*. New Delhi, Anmol, 1997**
 - 3. Buckley, Adrian. *Multinational Finance*. 3rd ed., Englewood Cliffs, Prentice Hall Inc., 1996**
 - 4. Eiteman, David K and Stonehill, Arthur I. *Multinational Business Finance*. California. Addison- Wesley, 1988**
 - 5. Johnson and Giaccotto. *Options and Futures*. St. Paul. West, 1995**
 - 6. Kim, Suk and Kim, Seung. *Global Corporate Finance : Text and Cases*. 2nd ed., Miami, Florida, 1993**
 - 7. Shapiro, Alan C. *Multinational Financial Management*. New Delhi. Prentice Hall of India 1995**
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Course No. : 204

Course Title : CORPORATE TAX PLANNING

Objective: The basic of this course is to provide an in-depth insight into the concept of corporate tax planning and to equip the students with a reasonable knowledge of tax planning devices. The focus is exclusively on income tax.

Course Contents:

Introductory: Definitions, Residential status, Heads of Income, Computation of Taxable Income.

Taxation of Companies: Special Provisions in computation of Profits from Business, Deduction from Gross Total income, Amalgamations of Companies and fiscal Incentives. Minimum Alternate Tax on Companies, Special Provisions relating to Tax on Distributed Profits of Domestic Companies.

Tax Planning: Concepts relating to Tax Avoidance and Tax Evasion, Tax Planning with reference to: Location of Undertaking, Type of Activity, Ownership Pattern, Dividend Policy, Issue of Bonus Shares, Inter Corporate Dividends and Transfers, Tax Planning relating to: Amalgamations and Mergers of Companies, Tax considerations in respect of specific managerial decisions like Make or Buy, Own or Lease, Close or Continue, Sale in Domestic Markets or Exports, Capital Budgeting Decisions, Managerial Remuneration, Foreign Collaboration and Joint Ventures.

Tax Management:

Filing of Returns and Assessments, Penalties and Prosecution, Appeals and Revisions, Advance Tax, TDS, Advance Ruling, Avoidance of Double Taxation Agreements.

Textbooks:

1. Ahuja, G.K. & Gupta, Ravi, Systematic Approach to Income Tax. Allahabad, Bharat Law House.
 2. Bhagwati Prasad, Direct Taxes Law & Practice, Wishwa Prakashan
 3. Kanga, J.B. and Pallkhivala, N.A., Income Tax, Bombay, N.M. Tripathi
 4. Singhanian, V.K. Direct Taxes: Law and Practices. Delhi, Taxman.
 5. Srinivas E.A., Handbook of Corporate Tax Planning, New Delhi, Tata McGraw Hill.
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Course No. : 205

Course Title : STUDY PROJECT AND STUDY PROJECT REPORT VIVA
VOCE

A student shall be required to select topic for study from his/her functional area in consultation with Departmental Committee. It may be in the form of analysis of a problem, development of a new product, method and technology or application of some new methods, policy analysis etc.

The activities may include collection of information and data, analysis and interpretation of collected data and suggesting solutions, alternatives etc.

A student shall be required to submit the Study Project Report based on the same in the month of March. A student will not be allowed to appear for the semester II examination unless he/she completes the project study work to the entire satisfaction of the departmental committee.
