

University of Mumbai

Banking & Finance for M.Com-I

Paper – I

COMMERCIAL BANK MANAGEMENT

Semester – I

(No. of lectures allotted)

- 10
- Module: 1** Overview of Commercial Banking in India – Role and Functions of Commercial Banks – Indian Banking in Pre-Nationalisation and Post-nationalisation Phases – Banking Sector Reforms and their Implications on Indian Banking Sector – Changing Role of Indian Banks – Reforms and Restructuring of Bank Management – Management of Private Sector Banks and Public Sector Banks – Management of Banks in Rural Areas.
- 10
- Module: 2** Functions of Bank Management – Planning, Organising, Directing, Co-ordinating, Controlling – Hierarchy of Management and functions at Each Level – Strategic Planning in Banks – Budgeting in Banks – RBI and its Role in Bank Management and Regulation, Prevention of Money laundering Act, 2002.
- 10
- Module: 3** Credit Management in Banks – Principles of Sound Bank Lending – Loan Policy – Compliance with RBI guidelines – Credit Appraisal and Credit Decision Making – Monitoring and Review of Loan Portfolio – Management of Non-Performing Assets (NPAs) – Classification of NPAs – Debt Restructuring – SARFAESI Act, 2002.
- 10
- Module: 4** Bank's Investment Policy – SLR Requirements – Non-SLR Investments – Nature and Significance of Investment Management in Commercial Banks – Fundamental Principles of Security Investment – Management of Security Investment – Reviewing Investment Portfolio – Organisation of Investment Function in Bank.

Semester – II

(No. of lectures allotted)

- 10
- Module: 1** Customer Relationship Management in banks – Meaning and objectives of CRM in banks - Strategies for Expanding Customer Base – Services to Different Categories of Customers: Retail, Corporate, International, Rural – Banking Ombudsman Scheme – KYC Norms – Customer Retention – Handling Customer Grievances
- 10
- Module: 2** Bank Marketing Management – Marketing of Banking Services – Marketing Mix for Banking Services – Developing Marketing Strategies and plans – Marketing Budget – Organisation of Marketing Functions in Banks.
- 10
- Module: 3** Human Resource Management in Banks – Importance of HRM in Banks– Policies relating to Human Resource Development in India – Selection, Training – Pay Structure in Public Sector Banks and Private Sector Banks – workers Participation in Management - Motivations and Morals – Performance Evaluation – Promotion, Transfer Policy, VRS schemes in Public sector banks.
- 10
- Module: 4** Evolving Trends and strategies in Modern Banking – Technology – Internet Banking – Mobile Banking – EFT services – Outsourcing of Non-core Services – Financial Inclusions – Micro Credit – SHGs – RBI Guidelines for Micro Credit – Banking Mergers and Acquisitions.

References:

1. Srivastava, Divya Nigam, Management of Indian Financial Institutions, Himalaya Publishing House.
2. M. Y. Khan, Indian Financial System, Tata McGraw Hill.
3. Bharati Pathak, Indian Financial System,
4. Gerald Hatler, Bank Investments and Funds Management, Macmillan
5. Stigum, Managing Bank Assets and Liabilities, Dow-Jones Irwin.
6. Dudley Luckett, Money and Banking, McGraw Hill.
7. Vasant Joshi, Vinay Joshi, Managing Indian Banks- Challenges Ahead”, Response Books.
8. Vasant Desai, Banks and institutional management, Himalaya Publishing House.
9. Principles of Banking, Indian Institute of Banking and Finance, Macmillan.
10. Dr. P. K. Srivastava, Banking theory and Practice, Himalaya Publishing House.
11. Benson Kunjukunju, Commercial Banks in India, New Century Publications.
12. K.P.M. Sundharam, Money Banking Trade and Finance, Sultan chand & sons, educational publishers.

13. Nitin Bhasin, Banking Developments in India 1947 to 2007, New Century Publications.
14. Nitin Bhasin, Banking & Financial Markets in India 1947 to 2007, New Century Publications.
15. General bank management, Indian Institute of Banking and Finance, Macmillan.

Journals:

- 1) Professional Banker, Published by: the ICFAI University Press
- 2) The Indian Banker, Published by: Indian Banks Association
- 3) Bank Quest, Published by: Indian Institute of Banking and Finance
- 4) Finance India, Published by: Indian Institute of Finance

Model Question Paper
M.Com.-I (Credit Based system) Sem-I/Sem-II
(Banking & Finance)
Paper-I
COMMERCIAL BANK MANAGEMENT

Time: 2hours

Total marks: 60

N.B. (1) All questions are compulsory with internal choice

(2) Figures to the right indicate marks

Q1 Essay type question	(15)
OR	
a & b	
Q2 Essay type question	(15)
OR	
a & b	
Q3 Essay type question	(15)
OR	
a & b	
Q4 Write short notes on the following:	(15)
(a), (b), (c)	
OR	
(a), (b), (c)	(15)

University of Mumbai
Banking & Finance for M.Com-I
Paper – II

FINANCIAL SERVICES

Semester – I

(No. of Lectures allotted)

10

Module: 1 Evolution of Financial Services – Meaning of Financial Services – Various types of Financial Services, Fund based and Non-fund based – Significance of Financial Services – Growth of Financial Services in India – Emerging Trends in Financial Services – Constraints to the growth of Financial Services.

10

Module: 2 Mutual Funds Concept – History of Mutual fund Industry in India – Different Schemes – Fund Accounting and Valuation – Advantages – UTI: Objective – Functions – Regulation– Performance Measurement and Evaluation of Mutual Fund Schemes – Unit holder’s Protection.

10

Module: 3 Merchant Banking – Facets of Merchant Banking - Functions – Legal and Regulatory Frameworks – Relevant Provisions of Companies Act – SEBI Guidelines – Role in Issue Management, Appraisal of Projects, Designing Capital Structure and Instruments – Issue Pricing.

10

Module: 4 Other Financial Services – Leasing and Hire Purchase – Factoring and Forfaiting – consumer Finance – Securitization – Venture Capital – Loan Syndication – Custodial and Depository Services – Credit rating.

Semester - II

10

Module: 1 Marketing of Financial Services – Categories of Financial Products – Insurance, Banks, Stocks, Mutual Funds, Pension Plans, other Savings Products – Financial Services Marketing Environment – Micro and Macro Environmental Forces – Marketing Mix for Financial Services – Promotional Strategies – Customer Relations and Servicing.

10

Module: 2 Treasury Management – Structure and Organization – Functions and Responsibilities of a Treasurer – Cost centre, Profit Centre – Integrated Treasury – Treasury and Asset Liability Management – Liquidity Management: CRR/CCIL/RTGS – Types of Exposure and Elimination of Exposure.

10

Module: 3 Portfolio Management Services – Meaning, Importance, Objectives, Strategies, Types of Strategies – Passive & Active Strategies – Role of Portfolio Managers.

10

Module: 4 Regulatory Framework for Financial Services – Role of RBI – Role of SEBI – Provisions of Companies Act – Role of FEMA – Ethical issues in the Marketing of Financial Services.

References:

16. E. Gordon and K. Natarajan, Emerging Scenario of Financial Services, Himalaya Publishing House, Mumbai.
17. M. Y. Khan, Financial Services, Tata McGraw Hill.
18. Machiraju, Indian Financial System – Vikas Publishing House.
19. V.A. Avadhani, Treasury Management in India, Himalaya Publishing House, Delhi.
20. D. C. Gardner, Treasury Management, Macmillan India Ltd., New Delhi.
21. H. R. Machiraju, Merchant Banking: Principles and Practice, New Age International (P) Limited, New Delhi.
22. S. Gurusamy, Merchant banking and Financial Services, Thomson South – Western.
23. J. C. Verma, A Manual of Merchant Banking , Bharath Publishing House, New Delhi.
24. Sadhale H., Mutual Funds in India, Sage, New Delhi.
25. Machiraju, H.R., Merchant Banking, Wheeler Publishing.
26. Kothari V., Lease Financing, Hire Purchase including Consumer Credit, Wadhwa and Co.

27. Verma J.C., Venture Capital Financing in India, Sage, New Delhi.
28. Lalit K. Bansal, Mutual Funds: Management and Working, Deep & Deep Publication, New Delhi.
29. Fischer, Donald E /Jordan, Ronald J., Security Analysis and Portfolio Management, Prentice-Hall, India.
30. Farrell, James L. Irwin, Portfolio Management: Theory & Applications, McGraw-Hill.
31. Frank K.Reilly and Keith C.Brown, Investment Analysis Portfolio Management,7/e Thomson Publications.
32. Donald E. Fischer and Ronald J. Jordan, Security Analysis and Portfolio Management, Pearson Education.
33. Prasanna Chandra, Investment Analysis and Portfolio Management, Tata McGraw-Hill Publishing Co. Ltd., New Delhi.
34. Charles P. Jones, Investments Analysis and Management, John Wiley & Sons.
20. S. Kevin, Security Analysis & Portfolio Management, Prentice Hall.
21. V.A. Avadhani, Financial services in India, Himalaya Publishing house.
22. Vasant Desai, Financial Markets and financial services, Himalaya Publishing house
23. Benson kunjukunju, S. Mohan, Financial Syatem and financial institutions in India, New century Publications.
24. M.Y. Khan, Indian Financial System, Tata McGraw- Hill companies.

Model Question Paper
M.com-I (Credit Based system) Sem-I/Sem-II
(Banking & Finance)
Paper-II
Financial Services

Time: 2hours

Total marks: 60

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OR	
a & b	
Q2 Essay type question	(15)
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Q4 Write short notes on the following:	(15)
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(a), (b), (c)	(15)

Syllabus for M.Com (Part II) – (Banking & Finance)

W.e.f. -

Paper III - Financial Markets in India

Course Objectives

1. To enable students to acquire Knowledge of concepts, methods and techniques of Indian and Globalised financial Markets.
2. To make the students develop competence with the applications of financial market techniques in management, application, practice and control.
3. To acquaint students with the important techniques of money and capital market instruments and to make the students learn the process and operations of intermediaries, facilitators and regulators of the financial markets

SEMESTER I

Module I

INDIAN FINANCIAL MARKET

No. of Lectures

1. Indian Financial System
2. Development of Financial Markets in India
3. Constituents of Financial System- Primary & Secondary (08)

Module II

MONEY MARKET INSTRUMENTS

1. Structure of Indian Money Market
2. Money market Instruments – Call money and Notice money, Treasury Bills, Certificate of Deposits, Commercial Papers, Finance Bills or Usance , Repo Instruments, Inter Bank Participation Certificate, Inter Corporate Deposits

3. Defects of the Indian Money Market
4. Essentials of a Developed Money Markets
5. Unorganized Money Market – Indigenous Bankers and Moneylenders (12)

Module III

CAPITAL MARKET INSTRUMENTS

1. Structure and Growth of the Indian Capital Market
2. Indian Capital Market Forms : -
 - A. Industrial Securities – New Issue markets and Old Issue markets
 - B. Government Securities (Gilt-edged market)
3. Ownership Securities – Equity Shares, Preference Shares, No-par stock
Creditorship Securities- Debentures (12)

Module IV

DERIVATIVES MARKET

1. Meaning, Importance and Need for Derivatives Market
2. Kinds of Financial Derivatives, Financial Derivatives in India (08)

SEMESTER- II

Module I

REGULATORY FRAMEWORK

1. The Reserve Bank of India
2. Securities Exchange Board of India (SEBI)
3. National Company Law Tribunal
4. Competition Commission of India
5. Exchange Regulation Act, 1973 - Foreign Exchange Management Act (FEMA), 1999
6. Regulation on Foreign Institutional Investors (FIIs) (12)

Module II

CORPORATE GOVERNANCE AND FINANCIAL SECTOR

1. Meaning, Need, Objectives, Importance and Issues of Corporate Governance
2. Evolution and Legal Framework of Corporate Governance in India
3. SEBI and Corporate Governance – Guidelines, Recommendations
4. Measures constituted by RBI towards corporate governance
5. Stock market Scams (10)

Module III

GLOBALIZATION OF FINANCIAL MARKETS

1. Indigenous Bond markets, Foreign Currency Bond Markets, Euro market, FDI- Inflows- Outflows
2. Emerging trends and Challenges in Global Financial markets
3. NRI Investments
4. Impact of Globalization on Indian Financial Markets (10)

Module IV

INDIAN FINANCIAL MARKETS: CONCERNS AND STRATEGIES

1. Money Laundering- Parallel Economy-International Liquidity-Hawala and the Indian Scenario
2. Ethics, Guidance, Precautions, Preventive measures and Corrective actions against the above Concerns and the related Strategies. (8)

References

1. Financial Markets, Institutions and Financial Services by Clifford Gomez, PHI Learning Private Ltd, New Delhi
2. Financial Management- Recent Trends in Practical Application by Chandra Hariharan Iyer, International Book House Pvt Ltd, Mumbai
3. International Financial management by S.P Srinivasan and Dr B. Janakiram, Published by Biztantra, New Delhi
4. Banking and Financial Markets in India by Niti Bhasin, New Century Publications
5. Financial System and Financial Institutions in India by Kunjukunju Mohan, New Century Publications
6. Financial Markets and Services By Gordan Natarajan, Himalaya Publishers
7. Capital and Money Markets by Dr M.S. Khan and Amit Kumar Goel, Himalaya Publishers
8. Capital markets in India by Rajesh Chakrabarti and Sankar De, Response Books from Sage Publishers
9. Financial Institutions and markets –structure, growth and innovations by L.M Bhole, Tata McGraw Hill
10. Financial Institutions and Financial markets in India- Functioning and Reforms by Niti Bhasin, New Century Publications
11. Financial markets and financial services by Vasant Desai, Himalaya Publishing House
12. Indian Financial System by M.Y. Khan, Tata McGraw Hill
13. Financial Services in India by V.A Avadhani, Himalaya Publishing House

University of Mumbai

Banking & Finance

M.Com Part - II

OPTIONAL GROUP OF PAPERS: BANKING AND FINANCE

Paper – IV INTERNATIONAL FINANCE

Semester -1

1. INTRODUCTION : (No. of lectures – 10)

Meaning – Scope of International Financial Management –Factors contributing to growth in International Finance–Recent Changes in Global Financial Markets.

2. BALANCE OF PAYMENTS: (No. of lectures – 10)

Meaning – Components – Factors- Deficit and Surplus in BOP – Capital Account Convertibility and Current Account.

3. INTERNATIONAL MONETARY SYSTEM:: (No. of lectures – 10)

Introduction – Exchange rate regime- The International Monetary Fund: Objectives and Funding Facilities – International Liquidity and Special Drawing Rights.The European Monetary System

4. FOREIGN EXCHANGE MARKET :(No. of lectures – 10)

Major Participants- Spot market – Forward market.Exchange Rate Quotation : Determination of exchange rates in spot and forward market –Factors influencing exchange rates.Types of Foreign Exchange Rates and Interest rate.

SEMESTER II

1. CURRENCY FUTURES:

Futures Contracts – Features –Trading Process- Hedging in currency futures market – Speculation in currency futures market – Futures prices – Forward prices – expected spot prices on delivery.

2. CURRENCY OPTIONS AND ARBITRAGE :

Currency Options: Features – Terminology – Types of options – options pricing - Hedging with currency options – Speculation with currency options.

3. INTERNATIONAL FINANCIAL MARKET AND RISK ASSOCIATED;

(No. of lectures – 10)

International Equities- Bonds- Gains from International Market – Short term and Medium term Instruments types of risks and tools.

4. MULTILATERAL DEVELOPMENT BANKS:

(no. of lectures –

10)

The World Bank – International Finance Corporation – Asian Development Bank.

REFERENCES:

1. Apte, P.G, International Financial Management, Tata McGraw Hill Publication, 2002.
 2. Levi, M.D., International Finance, Tata McGraw Hill Publication, 2006.
 3. Sharan, V International Financial Management, PHI publication, 2010.
 4. Rajwade. A.V., Foreign Exchange International Finance Risk Management, Academy of Business studies, 2004.
 5. International Finance and Trade, The ICFAI University, 2005.
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Model Question Paper
M.Com.-I (Credit Based system) Sem-I/Sem-II
(Banking & Finance)
Paper- IV
INTERNATIONAL FINANCE

Time: 2hours

Total marks: 60

N.B. (1) All questions are compulsory with internal choice

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OR	
a & b	
Q2 Essay type question	(15)
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a & b	
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(a), (b), (c)	
OR	
(a), (b), (c)	(15)

**UNIVERSITY OF MUMBAI
(BANKING & FINANCE)**

M.Com Part - II

OPTIONAL GROUP OF PAPERS: BANKING AND FINANCE

Paper – V INVESTMENT MANAGEMENT

Semester I

1. INTRODUCTION TO INVESTMENT ENVIRONMENT :

(No. of lectures-10)

Introduction - Investment Process - Investment Environment – Criteria for Investment Decision – Types of Investor - objectives of Investors - Investment v/s Speculation - Investment versus Gambling Investment Avenues available to the investor –Factors Influencing selection of Investment alternatives–

2. RISK – RETURN RELATIONSHIP AND PORTFOLIO ANALYSIS:

(No. of lectures-12)

Meaning of risk - Types of risk – Systematic and Unsystematic risk - Measurement of Risk: Meaning of Beta, Standard Deviation and Variance - What is a Portfolio –Expected Return of a portfolio – Risk of Portfolio – Reduction of Portfolio risk through diversification.

3. FUNDAMENTAL AND TECHNICAL ANALYSIS:

(No. of lectures – 10)

Meaning of Fundamental Analysis – Economy analysis- Industry analysis and Company analysis.Meaning of Technical analysis - Basic tenets of Technical analysis –Trends – Dow Theory –Chart Patterns- Elliot Wave Theory.Fundamental analysis v/s Technical analysis.

4. TOOLS OF VALUATION :

(No. of lectures – 8)

Time Value of money, Equity Research, Stock valuation Model

SEMESTER II

1. INVESTMENT PLANNING AND REVIEW :

(No. of lectures – 10)

Basic Principles of Port Folio management , Construction , monitoring and review.

2. EFFICIENT MARKET THEORY:

(No. of lectures – 10)

Assumptions – Random Walk Theory –Efficient Market Hypothesis- Anomalies in the market.

3. CAPITAL ASSEST PRICING MODEL :

(No. of lectures – 10)

Assumptions of CAPM – Capital Market Line – Security Market Line – CAPM equation –Pricing of Securities through CAPM.- Arbitrage Pricing Model

4. PORTFOLIO REVISION AND EVALUATION:

(No. of lectures – 10)

Meaning of portfolio revision- Need for revision - Meaning of portfolio evaluation- Need for evaluation – Portfolio performance evaluation: Sharpe's ratio – Treynor's ratio – Jensen's differential measure.

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REFERENCES:

1. Donald E, Fisher and Ronald J., Security Analysis and Portfolio Management, Prentice – Hall Of India, 1994.
2. Avadhani, V.A ., Investment Management, Himalaya Publishing House, 2009.
3. Kevin. S., Portfolio Management , PHI Publication 2009
4. Preeti Singh ., Investment Management, Himalaya Publishing House, 1993
5. Avadhani, V.A., Security Analysis and Portfolio Management, Himalaya Publishing House, 1997.

Model Question Paper
M.Com.-I (Credit Based system) Sem-I/Sem-II
(Banking & Finance)
Paper-V
Investment Management

Time: 2hours

Total marks: 60

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OR	
a & b	
Q2 Essay type question	(15)
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Q4 Write short notes on the following:	(15)
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(a), (b), (c)	(15)