

### III SEMESTER

#### STRATEGIC MANAGEMENT

Sub Code: 10MBA31 IA Marks: 50

##### MODULE 1 (7 Hours)

Meaning and Nature of Strategic Management, Its importance and relevance, Characteristics of Strategic Management, The Strategic Management Process - Relationship between a Company's Strategy and its Business Model.

##### MODULE 2 (7 Hours)

Strategy formulation - Developing Strategic vision and Mission for a company - Setting Objectives - Strategic Objectives and Financial Objectives - Balanced score card, Company Goals and Company Philosophy. The hierarchy of Strategic Intent - Merging the Strategic Vision Objectives and Strategy into a Strategic Plan.

##### MODULE 3 (7 Hours)

Analysing a company's External Environment - The Strategically relevant components of a company's external environment - Industry Analysis- Porter's dominant economic features - Competitive Environment Analysis - Porter's five force model - Industry driving forces - key success factors- concept and implementation.

##### MODULE 4 (6 Hours)

Analysing a company's resources and competitive position - Analysis of the company's present strategies - SWOT Analysis - Value chain Analysis - Benchmarking.

##### MODULE 5 (7 Hours)

Generic Competitive Strategies - Low cost, Differentiation, Best cost, Focused Strategies. Strategic alliances, Collaborative partnerships, Mergers and acquisition, Joint Ventures Strategies - Outsourcing Strategies- International Business level strategies.

##### MODULE 6 (7 Hours)

Formulating long term and Grand Strategies - Tailoring Strategy to fit specific Industry and company situation - long term objectives for Grand Strategies- Innovation, Integration and diversification - Conglomerate Diversification, Retrenchment, Restructuring and turnaround - GE nine cell planning grid and BCG Matrix.

##### MODULE 7 (8 Hours)

Strategy Implementation - Operationalizing strategy, Annual Objectives, Developing Functional strategies, Developing and communicating concise policies. Institutionalizing the strategy, Structure, Leadership and Culture. Ethical Process and corporate social responsibility.

##### MODULE 8

Strategic review and audit (7 Hours)

Strategic control guiding and evaluating strategies, Establishing Strategic controls, Operational Control Systems, Monitoring performance and evaluating deviations, challenges of strategy Implementation.

##### RECOMMENDED BOOKS:

1. Crafting and executing strategy by Arthur A. Thomson Jr., A. J. Strickland II,
1. John E. Gamble-Tata McGraw Hill, 14/e, 2005
2. Strategic Management - An Integrated Approach by Charles W.L. Hill, Gareth R. Jones - BIZTANTRA, 6/e, 2004/05
3. U. Iachru, Strategic Management, Excel Books.

##### REFERENCE BOOKS:

1. Strategic Management Concepts & Cases by Fred R. David - Pearson Education/PHI.
2. Strategic Management Building and Sustaining Competitive Advantage by Robert A. Pitts, David Lei. - Thomson South - Western, 3/e, 2002
3. Competitive Advantage by Michael E Porter, Free press, NY
4. Strategic Management by David Hunger

#### MANAGEMENT ACCOUNTING & CONTROL SYSTEMS

Sub Code: 10MBA32 IA Marks: 50

##### MODULE 1 (9 Hours)

Basic concepts, goals, and strategic key variables in management control systems. Management by objectives. Management Control - Operational Control - Task Control

.Concept of cost centers, profit centers and investment centers.sources for cost information, Cost units- classification of costs- cost analysis for management decision making.

#### MODULE 2 (7 Hours)

Determining product costs: cost elements for product costing- - accounting for factory overheads- principles of allocation and absorption - determining product costs. Mechanics of ascertaining product costs under job order costing and process costing (Does not include Equivalent production, Byproducts). Theoretical concepts of Activity Based Costing (ABC), Simple problems on ABC analysis.

#### MODULE 3 (8 Hours)

Cost-volume - profit (CVP) Relationship: Profit planning- behavior of expenses in relation to volume- CVP model- sensitivity analysis of CVP Model for changes in underlying parameters- assumptions of the CVP Model- Utility of the Model in Management Decision Making.

#### MODULE 4 (8 Hours)

Variable costing: Concept of variable (Marginal) costing. Comparison between variable costing, - advantage of variable costing. Decisions involving alternative choices: cost analysis for decision making like discontinuing a product, accepting a special order, make or buy, Sell or Process further, Product Mix

#### MODULE 5 (5 Hours)

Pricing policies:- objectives of pricing policies- marginal analysis and pricing - full cost pricing-ROI pricing - contribution approach to pricing - concepts of transfer pricing.( only theory)

#### MODULE 6 (8 Hours)

Budgeting and budgetary control: - Budgeting as a tool of management control-steps in budget preparation-Functional budget (simple Problems on Sales, Production, Material), flexible budgets. (does not include Master budget & Cash budget)

#### MODULE 7 (8 Hours)

Standard costing and variance analysis: Need for setting standards- development of standards for material and labour costs- variance analysis -breakup of material and labour cost variances- analyzing overhead variance (only theory)

#### MODULE 8 (3 Hours)

Cost control and cost reduction: introduction to cost control- cost reduction- fields covered by cost reduction- tools and techniques for cost reduction. Cost Audit: Scope of cost audit - Types, Advantages, limitations.

(Proportion of problems 60% and theory 40%)

#### RECOMMENDED BOOKS:

1. Lynch & Williamson: Accounting for Management- Planning & Control- (TMH)
2. Introduction to Management Accounting - Charles T Horngren -Pearson/PHI, 11/e, 2003
3. Robert. N. Anthony & Vijay Govindrajana -Management Control system-(TMH), 11/e, 2005 Recommended book for module-1
4. Khan & Jain- Management Accounting - (TMH), 3/e, 2003, Recommended book for 5 & 6

#### REFERENCES BOOKS:

1. Khan & Jain- Cost Accounting-(TMH), 1/e, 2003
2. Management Accounting - Atkinson - Pearson / PHI, 3/e
3. Management Accounting - SudhindraBhat - Excel Books
4. Cost Accounting: Principles and Practice - Bhattacharya - PHI, 2004

#### OPERATIONS MANAGEMENT

Sub Code: 10MBA33 IA Marks: 50

#### MODULE 1 (7 Hours) Introduction and Break even analysis

Break even analysis - Break even analysis in terms of physical units, sales value, and percentage of full capacity. Break even for Multi Product situations, Capacity expansion decisions, Product add or drop decisions, Make or Buy decisions, Equipment Selection decisions, Production process selection decisions, Managerial uses of break even analysis, Limitations of Breakeven analysis. 34 <http://sje.cmba.blogspot.com>

Note: The module will cover both theory and numerical problems with emphasis on decision making for competitive advantage.

## MODULE 2 (7 Hours ) Forecasting

Forecasting as a planning tool, forecasting time horizon, short and long range forecasting, sources of data, types of forecasting, qualitative forecasting techniques, quantitative forecasting models - Linear regression, Moving average, Weighted moving average, Exponential smoothing, Exponential smoothing with trends, Measurement of errors, Monitoring and Controlling forecasting models.

Note: The module will cover both theory and numerical problems

## MODULE 3 (6 Hours) Facility Planning

Facilities location decisions, factors affecting facility location decisions and their relative importance for different types of facilities, Facility location models.

Facility layout planning. Layout and its objectives for manufacturing operations, warehouse operations, service operations, and office operations., principles, types of plant layouts - product layout, process layout, fixed position layout, cellular manufacturing layouts, hybrid layouts, Factors influencing layout changes

Note: The module will cover theory focusing on safety, psychological factors, and productivity. Numerical problems on location selection

## MODULE 4 (6 Hours) Employee Productivity

Productivity and work study

Productivity and the standard of living, Productivity and the organization, productivity, variables affecting labour productivity, work content and time, Work Study and related working conditions and human factors.

Method Study

Introduction to Method Study, Data collection, recording, examining, and improving work, Material flow and material handling study, Worker flow study, Worker area study,

Work Measurement

Introduction to Work Measurement, Work sampling study, Time study and setting standards

Numerical problems on productivity measurement, time study and work standards

## MODULE 5 (6 Hours) Capacity Planning

Concept and overview of aggregation, Demand and capacity options and strategies in production and services, capacity and value, financial impact of capacity decisions, aggregate planning types and procedure, capacity requirement planning, concepts of yields (productivity) and its impact on capacity.

Capacity requirement planning, Materials requirement planning,

Planning hierarchies in operations, aggregate planning, purpose, necessity and importance of aggregate planning, Managerial importance of aggregate plans, alternatives for managing demand and supply, capacity augmentation strategies. Matching demand and capacity, demand chase aggregate planning, level production aggregate planning, capacity planning and steps,

Resource requirements planning system, material requirement planning, objectives of MRP, elements of MRP, BOM, benefits of MRP.

## MODULE 6 (6 Hours) Materials Management

Role of Materials Management- materials and profitability, Purchase functions, Procurement procedures including bid systems, Vendor selection and development, Vendor rating, ethics in purchasing. Roles and responsibilities of purchase professionals. Concepts of lead time, purchase requisition, purchase order, amendments, forms used and records maintained.

Inventory Management: Concepts of inventory, types, Classification, selective inventory management, ABC VED, and FSN analysis. Inventory costs, Inventory models - EOQ, safety stocks, Re order point, Quantity discounts.

Stores- types, functions, roles responsibilities, Inventory records,

Numerical problems on vendor rating, ABC analysis, Inventory models, Discounts

## MODULE 7 (12 Hours) Quality Management I

Basic concepts of quality of products and services, dimensions of quality. Relationships between quality, productivity, costs, cycle time and value. Juran's quality trilogy

Impact of quality on costs - quality costs. Demings 14 principles.. Quality improve

ment and cost reduction - 7 QC tools and 7 new QC tools, PDCA cycle, Quality circles, Quality Function Deployment and its benefits.  
Quality Systems - Need, benefits, linkage with generic strategies, ISO 9000 - 2000 clauses, coverage, QS 9000 clauses, coverage, linkages with functional domains like production, marketing, six sigma concepts, organizing for continuous improvement, Excellence models, awards and standards awards - MBNQA, Demings prize, Baldrige award, their main focus. Role of management in implementing quality systems.

#### MODULE 8 (6 Hours) Quality Management II

Concept of specification limits, statistical control limits, Process control and control charts for both attributes and variable data. Operators role in quality assurance. The course will cover both theory and numerical problems ( theory and numerical in the ratio of 40 : 60 ratio)

#### RECOMMENDED BOOKS:

1. Operations Management Theory and Practice, B.Mahadevan, Pearson education, Second impression 2007
2. Operations Management, William J. Stevenson 8th 2005 edition,
3. Operations Management, Richard B ChaselltheditionTMH,

#### REFERENCE BOOKS:

1. Production and Operations Management - Prof. K. Ashwathappa, K Sridhar Bhat, Himalaya Publications
2. Production and Operations Management, Text and cases, Upendrakachru, First edition excel Books.
3. Operations Now, Byron J Finch, Tata McGrawhill, 3rd edition, 2008
4. Operations Management, Norman Gaither & Greg Fraizer, Thomson South Western.

#### FINANCE AREA

##### ADVANCED FINANCIAL MANAGEMENT

Sub Code:10MBAFM321 IA Marks: 50 MODULE 1 (6 Hours)

Working capital management - Determination of level of current assets. Sources for financing working capital. Bank finance for working capital. (No problems on estimation of working capital)

Working capital financing: Short term financing of working capital, long term financing of working capital. Working capital leverages

#### MODULE 2 (6 Hours)

Cash Management - Forecasting cash flows - Cash budgets, long-term cash forecasting, monitoring collections and receivables, optimal cash balances - Baumol model, Miller-orr model, stone model. Strategies for managing surplus fund.

#### MODULE 3 (6 Hours) ]

Receivables Management - Credit management through credit policy variables, marginal analysis, Credit evaluation : Numerical credit scoring and Discriminate analysis. Control of accounts receivables, Factoring.

#### MODULE 4 (6 Hours)

Inventory Management: Determinations of inventory control levels : ordering, reordering, danger level. EOQ model. Pricing of raw material. Monitoring and control of inventories, ABC Analysis. 48 <http://sjecmba.blogspot.com>

#### MODULE 5 (10 Hours)

Capital structure decisions - capital structure & market value of a firm. Theories of capital structure - NI approach, NOI approach, Modigliani Miller approach, traditional approach. Arbitrage process in capital structure. Planning the capital structure: EBIT and EPS analysis. ROI & ROE analysis. Capital structure policy .

#### MODULE 6 (6 Hours)

Dividend policy - Theories of dividend policy : relevance and irrelevance dividend decision. Walter's & Gordon's model, Modigliani & Miller approach. Dividend policies - stable dividend, stable payout and growth. Bonus shares and stock split corporate dividend behavior. Legal and procedural aspects of dividends Corporate Dividend Tax.

#### MODULE 7 (6 Hours)

Hybrid Financing - Preferred stock, Warrants and convertibles, Private equity. Venture funds, Angel financing

Financial management in intangible - intensive companies. Characteristics of intangibles, implications for financial managements, Types and approaches to valuation

ns of intangible assets.

#### MODULE 8 (10 Hours)

Corporate financial modeling - Agency problem and consideration. Effect of inflation on ; Asset value, firm value, returns,

Financial planning - Basis of financial planning, sales forecast method, pro-forma P & L account method, pro-forma balance sheet method, determination of External Financing Requirement (EFR).

Financial Management of sick units: Definition of sickness, causes, symptoms, predictions, revival strategies, institutions for revival of sick units.

Economic Value Added (EVA) - concept, components of EVA. Market Value Added (MVA)

#### RECOMMENDED BOOKS:

1. Prasanna Chandra: Financial Management, (TMH), 6/e, 2004
2. M.Y. Khan & P.K. Jain - Financial Management, (TMH), 4/e, 2004
3. I.M. Pandey - Financial Management (Vikas), 9/e, 2005

#### REFERENCE BOOKS:

1. Brigham & Ehrhardt, Financial Management - Theory & Practice, Thomson Learning, 10/e - 2004
2. Ross, Westerfield & Jaffe, Corporate Finance- TMH - 7/e, 2005
3. Advanced Financial Management -SudhindraBhat - Excel Books.
4. Vanhorne, Financial Management & Policy, Pearson / PHI
5. Keown, Martin, Petty. Scott, Financial management :principles and applications--PHI

### SECURITY ANALYSIS & PORTFOLIO MANAGEMENT

Sub Code: 10MBAFM322 IA Marks: 50

10MBABF372

#### MODULE 1 (4 Hours)

Introduction: Concepts of investment- Financial and non-financial forms of investment - Objectives of financial investment, investment methods - Security and non-security forms of investment - Sources of investment information- Investment Instruments

MODULE 2 (5 Hours) Financial markets - primary and secondary markets - major players and instruments in secondary market - Functioning of stock exchanges, trading and settlement procedures at NSE & BSE.. Stock markets guidelines on primary & secondary markets.

#### MODULE 3 (10 Hours)

Valuation of securities - bond and fixed income instruments valuation -bond pricing theorems, duration of bond and immunisation of interest risk, term structure of interest rate, determination of yield curves, valuation of equity and preference shares (Dividend capitalisation & CAPM).

#### MODULE 4 (7 Hours)

Analysis of risk & return, concept of total risk, factors contributing to total risk, systematic and unsystematic risk, default risk, interest rate risk, market risk, management risk, purchasing power risk. Risk & risk aversion. Capital allocation between risky & risk free assets-Utility analysis.

#### MODULE 5 (9 Hours)

Fundamental & Technical Analysis of equity stock. Concept of intrinsic value. Objectives and beliefs of fundamental analysts. Economy-Industry-Company framework, Economic analysis and forecasting. Theory of Technical analysis, points and figures chart, bar chart, contrary opinions theory, confidence index RSI, RSI, Moving average analysis, Japanese Candlesticks.

#### MODULE 6 (7 Hours)

Behaviour of stock market prices - The market mechanism, testable hypothesis about market efficiency, implications of efficiency market hypothesis for security analysis and portfolio management. Asset pricing theories, CAPM & Arbitrage pricing theories.

#### MODULE 7 (7 Hours)

Modern portfolio theory - Asset allocation decision. Dominant & Efficient portfolio - simple diversification, Markowitz diversification model, selecting an optimal p

ortfolio - Sharpe single index model.Determination of corner portfolio.Process of portfolio management - International Diversification.

MODULE 8 (7 Hours)

Portfolio performance evaluation - Sharp & Treynor & Jensen's measure. Portfolio revision - Active and passive strategies & formula plans in portfolio revision. Mutual funds- types, performance evaluation of mutual funds, functions of Asset Management Companies.

RECOMMENDED BOOKS:

1. Investment Analysis and Portfolio management - Prasanna Chandra - TMH - 2nd Edition, 2005
2. Investments - Zvi Bodie, & Mohanty - TMH - 6th Edition, 2005
3. Investment Management - VK Bhalla (S.Chand & Co)
4. Security Analysis & Portfolio Management, S.Bhat, Excel Books.

REFERENCE BOOKS:

1. Investment Analysis & Portfolio Management - Reilly - 8/e - Thomson / Cengage Learning.
2. Security Analysis & Portfolio Management - Fisher and Jordan, 6/e Pearson, PHI
3. Investment science - David G.Luenberger. Oxford.
4. Alexander, Sharpe, Bailey - Fundamentals of Investment - Pearson / PHI, 3/e, 2001
5. Portfolio Management - Barua, Verma and Raghunathan (TMH), 1/e, 2003

#### MERGERS, ACQUISITIONS AND CORPORATE RESTRUCTURING

Sub Code: 10MBAFM323 IA Marks: 50

MODULE 1 (8 Hours) Mergers- in the nature of acquisitions and amalgamations. types of merger - motives behind mergers - theories of mergers - operating, financial and managerial synergy of mergers - value creation in horizontal, vertical and conglomerate mergers - internal and external change forces contributing to M & A activities

MODULE 2 (5 Hours) M & A - A strategic perspective- industry life cycle and product life cycle analysis in M&A decision, strategic approaches to M&A- SWOT analysis, BCG matrix, Porter's Five forces model

MODULE 3 (8 Hours) Corporate restructuring - different methods of restructuring - joint ventures - sell off and spin off - divestitures - equity carve out - leveraged buy outs (LBO) - management buy outs - master limited partnerships - employee stock ownership plans (ESOP)

MODULE 4 (7 Hours)

Merger Process: Dynamics of M&A process- identification of targets-negotiation-losing the deal. Five-stage model - due diligence (detailed discussion).

Process of merger integration - organizational and human aspects - managerial challenges of M & A 52 <http://sjecmba.blogspot.com>

MODULE 5 (10 Hours)

Valuation - valuation approaches - discounted cash flow valuation - relative valuation - valuing operating and financial synergy - valuing corporate control - valuing of LBO

Methods of financing mergers - cash offer, share exchange ratio - mergers as a capital budgeting decision

MODULE 6 (8 Hours)

Accounting for amalgamation - pooling of interest method, purchase method - procedure laid down under Indian companies act of 1956

MODULE 7 (5 Hours)

Takeovers, types, hostile takeover approaches, Take over defenses - financial defensive measures - Coercive offers and defense - anti-takeover amendments - poison pill defense

MODULE 8 (5 Hours)

Legal and regulatory framework of M & A - provisions of company's act 1956, Indian

Income Tax act 1961 - SEBI take over code, Provisions of Competition Act.

RECOMMENDED BOOKS:

1. Fred Weston, Kwang S Chung, Susan E Hoag - Mergers, Restructuring And Corporate Control - Pearson Education, 4/e
2. Mergers acquisitions and Business valuation - RavindharVadapalli - Excel books, 1/e 2007
3. Ashwath Damodaran - Corporate Finance-Theory And Practice - John Wiley & Sons
4. Shukla & Grewal - Advanced Accounts Vol 2 - S. Chand & Sons, Recommended book for module-6
5. Company Law & Practice - Taxmann - Recommended book for module-8
6. Students Guides to I.T. Act 1969

REFERENCE BOOKS:

1. Sudi Sudarsanam - Value Creation From Mergers And Acquisitions - Pearson Education, 1/e, 2003
2. Valuation for mergers Buyouts & Restructuring - Arzak Wiley India (P) Ltd.
3. Merger Acquisitions & Corporate Restructuring - Chandrashekar Krishna Murthy & Vishwanath. S.R - Sage Publication.
4. Weston, Mitchel And Mulherin - Takeovers, Restructuring And Corporate Governance - Pearson Education, 4/e, 2003

MERCHANT BANKING & FINANCIAL SERVICES

Sub Code: 10MBAFM324 IA Marks: 50

10MBABF374

MODULE 1 (8 Hours)

Bank and Banking - Permissible banking activities - Types of banks in India - Role of RBI as a regulator - Banker and customer - Types of relationship between bank and customer - Bank's obligation to customers - Types of accounts and customers - Types of lending - charging of securities - Banks and technology - Various IT products and services - International banking services

MODULE 2 (6 Hours)

Insurance service - Need and importance Life and non life insurance - Players in life and non life insurance - Essentials of insurance contracts - Risk appraisal and selection - Life and non life insurance products including unit linked plans

MODULE 3 (8 Hours)

Merchant Banking - SEBI guidelines for merchant bankers - Issue Management - Equity issues - Rights issues - Debenture issues - Book building - Private Placements - Pre & Post issues activities - Raising capital from International markets: ADRs, GDRs, ECB etc.

MODULE 4 (8 Hours)

Lease and Hire purchase - Meaning and Types of leasing - Legislative frameworks - Matters on Depreciation and Tax - Problems on leasing - Hire Purchasing - Concepts and features - Tax and Depreciation implications - Problems on Hire Purchasing.

MODULE 5 (4 Hours)

Credit rating and Securitization of debts - Definition and meaning - Process of credit rating of financial instruments - Rating methodology - Rating agencies - Rating symbols of different companies Securitization of debt - Meaning - Features - Special Purpose Vehicle - Pass Through Certificate & mechanism - Benefits of Securitization - Issues in Securitization

MODULE 6 (7 Hours)

Depository Service and Mutual funds: - Depository services - Role of depositories and their services - Advantages of depository system - NSDL and CDSL - Depository participants and their role - Stock Broking Services including SEBI guidelines - Mutual Funds - Structure of Mutual Funds - Types Mutual Funds - Advantages of mutual funds - Exchange Traded Funds - Hedge funds - Regulations on mutual funds - Accounting aspects - Performance Evaluation.

MODULE 7 (10 Hours) Money Market Instruments - Treasury Bill - Commercial bill - Commercial paper - Certificate of deposit - REPO/Reverse REPO - Call money - Notice money - Term money - Credit card - Bill discounting - Factoring - Forfaiting - Consumer finance - Reverse mortgage service

MODULE 8 (5 Hours)

Marketing of Financial Services - Conceptual framework - Distribution - Pricing - Promotion - Attracting & retaining customers - Segmentation - Positioning - Development and launching of new products - Behavioural profile of customers.

RECOMMENDED BOOKS:

1. Financial Services-M.Y.Khan - TMH
2. Merchant Banking -J.C.Verma
3. Financial Services & Systems- S.G.Guruswamy - Thomson Learning