BHARATHIAR UNIVERSITY: COIMBATORE – 641 046  
SCHOOL OF DISTANCE EDUCATION (SDE)  
for the SDE students admitted during the academic year 2011-12 & Onwards  

**M.B.A - Banking and Finance  
(Annual Pattern)**

<table>
<thead>
<tr>
<th>Paper</th>
<th>Name of the Subject</th>
<th>Marks</th>
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<tbody>
<tr>
<td><strong>First Year</strong></td>
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<tr>
<td>1.1</td>
<td>Principles of Management and Organisational Behaviour</td>
<td>100</td>
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<tr>
<td>1.2</td>
<td>Managerial Economics</td>
<td>100</td>
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<tr>
<td>1.3</td>
<td>Accounting and Finance for Managers</td>
<td>100</td>
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<tr>
<td>1.4</td>
<td>Marketing Management</td>
<td>100</td>
</tr>
<tr>
<td>1.5</td>
<td>Human Resource Management</td>
<td>100</td>
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<tr>
<td>1.6</td>
<td>Quantitative Techniques for Management</td>
<td>100</td>
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<tr>
<td>1.7</td>
<td>Research Methods for Management</td>
<td>100</td>
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<tr>
<td>1.8</td>
<td>Corporate Communication</td>
<td>100</td>
</tr>
<tr>
<td>1.9</td>
<td>Operations Management</td>
<td>100</td>
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</table>

| **Second Year** |                                                                 |       |
| 2.1   | Financial Institutions and Services                       | 100   |
| 2.2   | Management Control Systems                                | 100   |
| 2.3   | Banking and Insurance Marketing                           | 100   |
| 2.4   | Management of Banking and Insurance Companies             | 100   |
| 2.5   | Commercial Banking and Role of RBI                       | 100   |
| 2.6   | Mutual Fund Management                                   | 100   |
| 2.7   | Merchant Banking                                          | 100   |
| 2.8   | Business Environment and Ethics                           | 100   |
| 2.9   | Strategic Management                                     | 100   |

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**Total 1800**
1.1. Principles of Management and Organizational Behaviour

UNIT I

UNIT II

UNIT III

UNIT IV

UNIT V

REFERENCE
5. Umasekaran, Organisational Behaviour.
1.2. Managerial Economics

UNIT I
Managerial Economics - meaning, nature and scope - Managerial Economics and business decision making - Role of Managerial Economist - Fundamental concepts of Managerial Economics- Demand Analysis - meaning, determinants and types of demand - Elasticity of demand.

UNIT II
Supply meaning and determinants - production decisions - production functions - Isoquants, Expansion path - Cobb-Douglas function.
Cost concepts - cost - output relationship - Economies and diseconomies of scale - cost functions.

UNIT III
Market structure - characteristics - Pricing and output decisions - methods of pricing - differential pricing - Government intervention and pricing.

UNIT IV
Profit - Meaning and nature - Profit policies - Profit planning and forecasting - Cost volume profit analysis - Investment analysis.

UNIT V
National Income - Business cycle - inflation and deflation - balance of payments - Monetary and Fiscal Policies

REFERENCE

1.3. Accounting and Finance for Managers

UNIT I

UNIT II
UNIT III
Cost Accounting - Meaning - Distinction between Financial Accounting and Cost Accounting
- Cost Terminology: Cost, Cost Centre, Cost Unit - Elements of Cost - Cost Sheet - Problems.
- Budget, Budgeting, and Budgeting Control - Types of Budgets - Preparation of Flexible and
- fixed Budgets, master budget and Cash Budget - Problems - Zero Base Budgeting.

Marginal Costing - Definition - distinction between marginal costing and absorption costing -
- Break even point Analysis - Contribution, p/v Ratio, margin of safety - Decision making
under marginal costing system-key factor analysis, make or buy decisions, export decision,
sales mix decision-Problems

UNIT IV
Objectives and functions of Financial Management - Role of Financial Management in the
organisation - Risk-Return relationship- Time value of money concepts - Indian Financial
system - Legal, Regulatory and tax framework. Sources of Long term finance - Features of
Capital market development in India - Role of SEBI in Capital Issues.
- Capital Budgeting - methods of appraisal - Conflict in criteria for evaluation - Capital
Rationing - Problems - Risk analysis in Capital Budgeting.

UNIT V
Cost of Capital - Computation for each source of finance and weighted average cost of
capital - EBIT - EPS Analysis - Operating Leverage - Financial Leverage - problems.
- Capital Structure Theories - Dividend Policies - Types of Divided Policy.
- Working Capital Management - Definition and Objectives - Working Capital Policies -
- Factors affecting Working Capital requirements - Forecasting Working Capital requirements
(problems) - Cash Management - Receivables Management and - Inventory Management -
Working Capital Financing - Sources of Working Capital and Implications of various
Committee Reports.

REFERENCE
1. Advanced Accountancy - R.L.Gupta and Radhaswamy
2. Management Accounting - Khan and Jain
3. Management Accounting - S.N.Maheswari

Note: 80% of the questions shall be theory based
20% of the questions shall be problems.
1.4. Marketing Management

UNIT I
Marketing Concepts and Tasks, Defining and delivering customer value and satisfaction - Value chain - Delivery network, Marketing environment, Adapting marketing to new liberalised economy - Digitalisation, Customisation, Changing marketing practices, e-business - setting up websites; Marketing Information System, Strategic marketing planning and organization.

UNIT II

UNIT III
Marketing channel system - Functions and flows; Channel design, Channel management - Selection, Training, Motivation and evaluation of channel members; Channel dynamics - VMS, HMS, MMS; Market logistics decisions.

UNIT IV
Integrated marketing communication process and Mix; Advertising, Sales promotion and Public relation decisions. Direct marketing - Growth, Benefits and Channels; Telemarketing; Salesforce objectives, structure, size and compensation.

UNIT V
Identifying and analysing competitors, Designing competitive strategies for leaders, challengers, followers and nichers: Customer Relationship marketing - Customer database, Data warehousing and mining. Attracting and retaining customers, Customerism in India, Controlling of marketing efforts.

Global Target market selection, standardization Vs adoption, Product, Pricing, Distribution and Promotional Policy.

REFERENCE

1.5. Human Resource Management

UNIT I: Human Resource Function
UNIT II: Recruitment & Placement
Job analysis: Methods - IT and computerised skill inventory - Writing job specification - HR and the responsive organisation.
Recruitment and selection process: Employment planning and forecasting - Building employee commitment: Promotion from within - Sources, Developing and Using application forms - IT and recruiting on the internet.
Employee Testing & selection: Selection process, basic testing concepts, types of test, work samples & simulation, selection techniques, interview, common interviewing mistakes, Designing & conducting the effective interview, small business applications, computer aided interview.

UNIT III: Training & Development
Orientation & Training: Orienting the employees, the training process, need analysis, Training techniques, special purpose training, Training via the internet.
Performance appraisal: Methods - Problem and solutions - MBO approach - The appraisal interviews - Performance appraisal in practice.
Managing careers: Career planning and development - Managing promotions and transfers.

UNIT IV: Compensation & Managing Quality
Benefits and services: Statutory benefits - non-statutory (voluntary) benefits - Insurance benefits - retirement benefits and other welfare measures to build employee commitment.

UNIT V: Labour relations and employee security
Labour Welfare: Importance & Implications of labour legislations - Employee health - Auditing HR functions, Future of HRM function.
REFERENCE

1.6. Quantitative Techniques for Management

UNIT I

UNIT II

UNIT III

UNIT IV

UNIT V

REFERENCE
2. Statistical Methods – S P Gupta
3. Operations Research – Kanti Swarup, Gupta And Man Mohan

Note: 80% of the questions shall be theory based
20% of the questions shall be problems.
1.7. Research Methods for Management.

UNIT I
Research - meaning - scope and significance - Types of research - Research Process - Characteristics of good research - Scientific method - Problems in research - Identifying research problem – concepts, constructs and theoretical framework.

UNIT II
Hypothesis:- meaning - sources - Types - formulation Research design - Types - case study - features of good design - measurement - meaning - need Errors in measurement - Tests of sound measurement Techniques of measurement - scaling Techniques - meaning - Types of scales - scale construction techniques.

UNIT III
Sampling design - meaning - concepts - steps in sampling - criteria for good sample design - Types of sample designs - Probability and non-probability samples. Data collection:- Types of data - sources - Tools for data collection methods of data collection - constructing questionnaire - Pilot study - case study - Data processing:- coding - editing - and tabulation of data - Data analysis.

UNIT IV

UNIT V

REFERENCE
1. Rao K.V. Research methods for management and commerce - sterling
2. Zikmund, Business Research Methods
3. Kothari C.R. - Research methodology

Note : 80% of the questions shall be theory based
20% of the questions shall be problems.


1.8. CORPORATE COMMUNICATION

Unit 1:  

Unit 2:  
Understanding Corporate Communication – Employee Communication – Managing Government Relations – Writing for Media and Media Relations

Unit 3:  
Corporate Communication in Brand Promotion – Financial Communication – Crises Communication.

Unit 4:  

Unit 5:  

References:


1.9. OPERATIONS MANAGEMENT


UNIT III : Production planning and control – meaning – functions – aggregate planning –
master production schedule (MPS) – Material requirement planning (MRP) – BOM – Capacity requirement planning (CRP) – Techniques – problems in MRP and CRP – an introduction to MRP II and ERP – Business Process Re-engineering - Total Productive Maintenance (TPM)


References:
4. Production and Operations Management – Pannerselvam, PHI

Questions: 40% of the questions shall be problems
60% of the questions shall be theory based.
II Year

2.1. Financial Institutions and Services

UNIT-I
The basic Theoretical Framework: The financial system and its technology; The factors affecting the stability of the financial system; Development finance vs. universal banking; Financial intermediaries and Financial Innovation; RBI-Central Banking.

UNIT-II
The Financial Institutions: A brief historical perspective. An update on the performance of IDBI, ICICI, IFCI and SFCs, LIC & GIC- The banking Institutions: Commercial banks - the public and the private sectors - structure and comparative performance. The problems of competition; interest rates, spreads, and NPAs. Bank capital - adequacy norms and capital market support.

UNIT-III

UNIT-IV
Insurance: The Economics of Insurance; Life Insurance; Reinsurance; The Insurance Industry and its regulation. Efficiency and the Structure of the Insurance Industry; Pension funds; Pension plans today.

UNIT-V
Financial services: Asset/fund based Financial services - lease finance, consumer credit and hire purchase finance, factoring definition, functions, advantages, evaluation and forfeiting, bills discounting, housing finance, venture capital financing. Fee-based / Advisory services: Stock broking, credit rating.

REFERENCE BOOKS
2.2. MANAGEMENT CONTROL SYSTEM

UNIT-I
Characteristics of Management Control System - Evolution of control systems in an organization - Relating system to organizational objectives - Strategic Planning, Management Control and Operational Control - Goal Congruence - Cybernetic Paradigm of Grissinger - Functions of the Controller

UNIT-II
Responsibility Centers - Types of Responsibility Centers - Expense Centers, Profit Centers and Investment Centers - Budgetary Control as a tool for Management Control Systems - Engineered, Discretionary and Committed Costs - Approaches to budgeting w.r.t. Engineered and Discretionary costs - Benchmarking and Total Cost Management

UNIT-III
Transfer Pricing (Market based and Cost Based) - Related numerical problems - Return on Investment, Economic Value Added, Capital Budgeting and Ratio Analysis as a tool to management performance measurement

UNIT-IV

UNIT-V
Long Range Planning - Converting corporate vision into a long-range plan - Input Output Relationship Introduction to Audit Function as a control tool covering Financial Audit, Internal Audit and Cost Audit - Management Audit - Principles and Objectives A minimum 5 cases in designing and implementation of control systems

REFERENCE BOOKS
1. Management Control Systems, 10th Ed. - Anthony and Govindrajan
2. Practical Auditing - B.N.Tandon
3. Cost Accounting - B.K.Bhar
4. Management Control Systems - Kirby
5. Financial Management - Prasanna Chandra

2.3. Banking and Insurance Marketing

UNIT I
Meaning & scope of marketing, modern concepts of marketing, marketing strategy, STP approach, differences between goods & services marketing, Marketing environment with references to Banking & Insurance in India, customers expectation & orientation with references to Banking & Insurance in India.
UNIT II
The concept of Banking Marketing & insurance marketing, formulation of marketing mix for banking and insurance sector, Promotion strategy for banks and insurance sector. Relationship marketing, behavioural profile of customers, factors influencing customer behaviour, Basic problems in life insurance marketing.

UNIT III
Product, New product development process, product life cycle, branding, methods of pricing and strategy with references to Banking & Insurance in India.

UNIT IV
Promotion mix, managing the sales force, selling process, selling skill, distribution strategy with reference to banking and insurance sector.

UNIT V
Delivery of services, the process and measurement, understanding of service quality and building customer relationship. Case studies from Banking & Insurance sector

Reference Book:
1. C B Gupta & Rajan Nair, Marketing Management, Sultan Chand & Sons
2. S Arora, Marketing of Financial Services, Deep and Deep Publications
5. P Saritha Srinivas, Marketing of Banking Financial Services, Serial Publications

2.4. Management of Banking and Insurance Companies

UNIT I

UNIT II

UNIT III
Management of Deposit and Advances: Role of Development Officer, Meaning, Importance of Development Officer, Duties of Development Officer.
UNIT IV

UNIT V

Reference Book:
3. Dr.C.Satyadevi, Financial Services - Banking and Insurance, S.Chand Publications

2.5. Commercial Banking and Role of RBI

Unit I: Structure of Indian Financial System, Central Bank-Regulatory framework SWOT analysis of commercial Banks and challenges before commercial Banks

Unit II: Business environment of Commercial Banks. Definition of Customer and Banker. Various deposit schemes and customers Rights and duties of Bankers, Negotiable instrument act and various methods of granting advances viz Cash credit, bills discounting and term loan finance.

Unit III: Various forms of financing methods under non fund based limits viz Bank guarantees and letters of credit etc Appraisal of Fund Based limits and non fund based limits viz ratio analysis, MPBF method of assessing working capital requirement. Method of assessing non fund based limits

Unit IV: To discuss case study on working capital assessment and appraisal of Term loan appraisal - Various types of charges for creation of securities and Monitoring of advances

Unit V: Balance sheet management and Profit and Loss Management - Management of Non performing assets - Capital Adequacy under Basel II guidelines, Asset liability Management and various other risk management

Reference Book:
2. H R Machiraju, Modern Commercial Banking, New Age International
2.6. Mutual Fund Management

UNIT I:
Introduction and evaluation of mutual funds: Concept and Role of MFs, evaluation of MFs in India, types of MFs, legal structure, other fund constitution and fund manages and scheme takeovers.

UNIT II:
Regulation of MFs and MFs prospectus and balance sheet and offer document: Role of regulator in India and self regulatory organization (SROs) and investors rights and obligations, contents of offer document, the key information memorandum.

UNIT III:
Fund distribution and sales practices and investor services: Distribution channel, sales practices, application and redemption, investment plans and services.

UNIT IV:
Accounting, valuation, taxation of MFs, measurement and evaluation of MF performance.

UNIT V:
Management of MFs (Investor advisory services): Helping investors with financial plan and recommending financial planning strategies to investors; Strategies of investors in MF investing: Selecting the right investment products, understanding risk in fund investing and constructing model portfolio and selecting right fund.

Reference Books:
3. Financial services, ICFAI publication.
4. AMFI mutual fund testing programme by D.C. Anjari from AMFI publication.
5. Financial markets and services by Garden and Natarajan, HPH.

2.7. MERCHANT BANKING

UNIT-I
Overview of Indian Financial System-Development Since 1991- Role of Financial Intermediaries- Various Financial Intermediaries

UNIT-II
UNIT-III

UNIT-IV
Money Market Nature and role of Money market in India – Instruments in Money Market viz, CPs, CDs,Bill of exchange, ICDs, Treasury Bill – Role of DFHI/STCI in Money Market – ECBs.

UNIT-V
Financial Services – Credit rating – Factoring and forfeiting – leasing and hire purchasing- Securitization of debts-Housing finance – Merchant Banking services and functions, Mutual Funds-All SEBI guidelines related to topics covered above- Current development are expected to be covered, International operations in stock market.

REFERENCE BOOKS
1. Indian Financial Services- M.Y. Khan
2. Marketing of Financial Services- V. A. Avdhani
3. Advance Financial Management- Kohak

2.8. BUSINESS ENVIRONMENT AND ETHICS

Objectives: To equip the students with the knowledge of emerging trends in social, political, ethical and legal aspects affecting business decisions.


UNIT III :- Globalisation of the economy – trends and issues, Politics and environment, MNCs and Government relationships- Introduction to GATT and WTO.
2.9. STRATEGIC MANAGEMENT

Objectives: To help the students to learn the process of strategic decision making, implementation and evaluation of corporate policies

UNIT I
Corporate strategic planning - Mission - Vision of the firm - Development, maintenance and the role of leader - Hierarchical levels of planning - strategic planning process. Strategic management Practice in India, Family run corporates.

UNIT II
Environmental Analysis & Internal Analysis of Firm:
General environment scanning, competitive & environmental analysis - to identify opportunities & threat - Assessing internal environment through functional approach and value chain - identifying critical success factors - to identify the strength & weakness - SWOT audit - core competence - Stakeholders’ expectations, Scenario-planning - industry analysis.

UNIT III
Strategy formulation
Generic strategies - Grand strategies - Strategies of leading Indian companies - The role of diversification - limit - means and forms. Strategic management for small organisations, non-profit organizations and large multi product and multiple market organisations.

UNIT IV:- Fiscal policy - central finances and new fiscal policy - Direct and indirect Tax structure, VAT, MODVAT - Service Tax problems and reforms - Expenditure Tax - Public debts & deficit financing


REFERENCES:

Adhikari.m - Economic environment of Management
Francis cherunnilam - Business environment
Pruti s. economic & managerial environment in India
Davis & keith William c. frederik - business and society
Amarchand d - Government and business
Mankard _ Business Economics
A.N Agarwal _ Indian economy
Steiner and Steiner – Business Ethics – Mc-Graw Hill
UNIT IV
Tools of Strategy Planning and evaluation

UNIT-V
Strategy implement & Control:
Various approach to implementation of strategy - Matching organization structure with strategy - 7Smodel - Strategic control process - Du Pont’s control model and other Quantitative and Qualitative tools - Balanced score card - M.Porter’s approach for Globalization - Future of Strategic Management.

Reference
1. Pearce & Robinson, Strategic Management ,All Indian Travellors N.D
2. A.C. Hax And Ns, Strategic Management: An Integrative Perspective, Majifu, Prentice Hall
6. Geogy G.Dess And Alex Miller, Strategic Management, Mcgraw Hill.
7. Gerry Jhonson & Keven Scholes, Exploring Corporate Strategy: Text And Cases, Ph

QUESTION PAPER PATTERN

Time: 3 Hours
Max Marks: 100

Answer any Five Questions
(5 x 20 = 100 Marks)

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