

5.1. Marketing in Banking and Insurance

Objectives :

- To develop concepts in marketing.
- To explain the scope of marketing management-analyzing opportunities, selecting target segments, developing the market mix, managing the marketing effort.
- To provide understanding of the communication mix, advertising campaigns, media planning, budgeting, marketing mix decisions, scope and limitations of market research.
- To develop strong concepts in marketing strategies for emerging technology and mature markets.
- To provide understanding about the internet as a strategic medium for marketing and sales efforts for a company.

		No of Lectures
Unit 1:	<p>Introduction to Goods Marketing and Services Marketing</p> <ul style="list-style-type: none"> • Definition of marketing • Definition and Classification of Services • Services Marketing Mix • 7 P's of Marketing Mix • 7 P's of Services Marketing Mix • Importance of Marketing Mix Elements • Marketing of Banking and Insurance products • Services Marketing Mix strategies for banking and Insurance 	(15)
Unit 2:	<p>Channels of Marketing and Marketing Research</p> <ul style="list-style-type: none"> • Channels of Marketing • Marketing Research- Meaning and Importance • Process of Marketing Research • Types of Marketing Research 	(15)

	<p>(Product, Sales, Consumer and Promotion research)</p> <ul style="list-style-type: none"> • Marketing Logistics (Logical objectives for banking and Insurance products) 	
Unit 3:	<p>Consumer in Services marketing</p> <ul style="list-style-type: none"> • Consumer Buying Behavior- Meaning and Stimulus Response Model • Decision Making Unit • Importance of Personnel in Services <p>Managing Service Quality</p> <ul style="list-style-type: none"> • Service Quality Model (CAPS model) • Managing Service Gaps • Major trends in product support service 	(15)
Unit 4	<p>Advertising and Branding of Services (Managing Integrated Marketing Communication)</p> <ul style="list-style-type: none"> • Role of Advertisement in Service Marketing • Determining Communication Objectives • Factors in setting marketing communication mix • Web Marketing, Rural Marketing , Social Marketing • Post Sales services strategies <p>Recent Trends and Challenges in Marketing</p> <ul style="list-style-type: none"> • Ethics in marketing • Major trends in consumer services • Marketing in 21st century • Marketing through social networking channels 	(15)

References Books:

1. **V S Ramaswamy, S Namakumari**, *“Marketing Management: A Global Perspective Indian Context”*, Macmillan Publishers, India.
2. **Philip Kotler and Kevin Lane Keller**, *“Marketing Management”*, Prentice Hall Of India.
3. **S.M.Jha**, *“Services Marketing”*, Himalaya Publishing House, 2000.
4. **Philip Kotler, Gary Armstrong** *“Principles of Marketing”*, Prentice Hall, 2009.
5. **M.J. Xavier**, *“Marketing in the New Millennium”*, Vikas Publishing House Pvt. Limited, 1999.
6. **Gorge G. Brenkert**, *“Marketing Ethics”*, Blackwell Publications 2008.
7. **Tamar Weinberg**, *“The New Community Rules: Marketing on the Social Web”*, O'Reilly Media, Inc..USA.
8. **B.R. Bhardwaj S. Goel S.S. Vernekar**, *“Marketing of Services”*, Deep and Deep Publications.

Module: 5.2 – Financial Service Management.

UNIT 1:

(15 Lectures)

FINANCIAL SERVICES

Meaning – Classification – Scope – Fund Based Activities – Non-Fund Based Activities – Modern Activities – Sources of Revenue – causes for financial innovation – New Financial Products and services – Innovative Financial Instruments – Challenges Facing the Financial Sector Saving Mobilization

MERCHANT BANKING

Definition – Origin – Merchant Banking in India – Merchant Banks and Commercial Banks – Services of Merchant Banks – Qualities required of Merchant Bankers in Market Making Process – Progress of Merchant Banking in India – Problems – Scope of Merchant Banking in India

LEASING AND HIRE PURCHASE

Definition – Steps in Leasing Transactions – Types of Lease – Financial Lease- Operating Lease – Leverage Lease – Sales and Lease Bank – Cross Border Lease –Advantages and Disadvantages of Lease – Structure of Leasing industry - Hire Purchase and Credit Sale – Hire Purchase and Installment Sale – Hire Purchased and Leasing – Origin and Development –

Banks and Hire Purchase Business

**UNIT 2:
Lectures)**

(15

MUTUAL FUND

Introduction to mutual fund – Structure of mutual fund in India – Classification of mutual fund – AMFI Objectives – Advantages of mutual fund – Disadvantages of mutual fund – NAV calculation AND PRICING of mutual fund - Mutual Funds abroad-Mutual Funds in India-Reasons for Slow Growth-Future of Mutual Funds Industry.

FACTORING AND FORFEITING

Factoring – Meaning – Modus Operandi – Terms and Conditions – Functions – Types of Factoring. Factoring v/s Discounting – Cost of Factoring – benefits – Factoring in India – International Factoring – Definition – Types of Expert Factoring – Factoring in other countries – Edit factoring – Factoring – Definition – Factoring Vs Forfeiting – Working of forfeiting – cost of forfeiting – benefits of forfeiting – drawbacks – forfeiting in India.

UNIT 3:

(15 Lectures)

SECURITISATION OF DEBT

What is securitization? – Definition – securitization vs. factoring – Modus operandi – role of merchant bankers – role of other parties – structure for securitization – securitisable assets – benefits of securitization – conditions for successful securitization – securitization abroad – securitization in India – reasons for unpopularity of securitization – future prospects of securitization

DERIVATIVES

Meaning – types of financial derivatives – options – futures – forwards – swaps – futures and options trading system – clearing entities and their role

UNIT 4:

(15 Lectures)

CREDIT RATING

Definition and meaning – functions of credit rating – Origin – credit rating in India – benefit of credit rating – credit rating agencies in India. CRISIL-IICRA-CARE- Limitations of Rating – Future of credit rating in India

TREASURY MANAGEMENT

Introduction – scope – objectives – functions – treasury management in bank and corporate – cost centre v/s profit centre treasury – centralised v/s decentralised treasury.

DEPOSITORIES AND PLEDGE

Overview of Depository system-Key features of Depository system in India – depository – Bank analogy –legal framework – Eligibility criteria for a depository- Agreement between Depository and Issuers – Rights and Obligation of Depositories- Records to maintained by Depository – services of Depository and functions of Depository-Organisation and functions of NSDL - Pledge and Hypothecation-Procedure for pledge/Hypothecation-procedure of confirmation of creation of Pledge/Hypothecations by Pledgee-Closure of a Pledge/Hypothecation by Pledgor-Invocation of Pledge by Pledgee.

Total: (60 Lectures)

Question Paper Pattern

- Q.1 Any 3 out of 5 (15 Marks)**
Q.2 Any 3 out of 5 (15 Marks)
Q.3 A) 8-Marks OR A) 8-Marks
B) 7-Marks OR A) 7-Marks
Q.4 A) 8-Marks OR A) 8-Marks
B) 7-Marks OR A) 7-Marks

Suggested References:

- 1) Financial Market Regulation, Author-Tatom, John A ; ed Publisher-Springer
- 2) Practical Derivatives, Author-Denton, Jonathan ; ed.,Publisher-Global Law and Business
- 3) Financial Derivatives, Author-Koib, Robert W & Overdahl, James A, Publisher-John Wiley & Sons, Inc.
- 4) Financial Markets And Financial Services In India, Author-Kunjukunju, Benson Mohanan,S, Publisher-New Century Publication
- 5) Derivatives And Risk Management, Author-Khatri, Dhanesh Kumar, Publisher-Macmillan Publishers India Ltd
6. Financial Management : I MPandey, Vikas Publishing House.
7. Financial Management : Ravi M Kishore, Taxman
8. Financial Management : James C Van Horne, Prentice Hall
9. Chandra Hariharan Iyer – IBHL

5.3 International Banking and Finance:

Objectives: The paper will discuss the concepts and broad activities of International Banking and

Finance besides studying developments in India in this context

Syllabus:

	No. of Lectures
1. Evolution of International Banking	06
2. International Banking: A functional Overview – International Payment Systems, Banking for Financing of Exports and Imports of Goods and Services	08
3. International Capital Markets – Financial Market Flows beyond national boundaries, Interest rate differentials between markets and their role in impacting demand for and supply of funds across borders, Debt Flows and Equity Flows and role of International Banks in same, Volatile flows and stable flows	10
4. Offshore Banking Centers and their role in International Financing, Introduction to Global Balance Sheet of banks, Asset and Liability Management of Banks	06
5. International Lending Operations , Policies and Practices, Transaction Cost and risks in International lending, Role of LIBOR, Loans to foreign corporations, Syndicated loans, Financing Foreign Governments, Issues of Information symmetries and adverse selection, Regulatory and supervisory aspects, Trends in International Banking in India	10
6. Eurocurrency markets and role of International Banks in Same	06
7. Foreign exchange risks; The exchange rate swings, swings in currency and interest rate derivatives and their impact on net worth of banks	08
8. Country risk analysis – Perception of International Rating Agencies, Issues related to International Financial Architecture	03
9. International Financial Stability and role of banks and central banks in financial stability.	03
Total	60 Lectures

Suggested Readings:

1. **Sharma R. D. – International Banking; Contemporary Issues, New Delhi, Himalaya Publishing House**
2. **Apte P.G. International Finance – A Business Perspective, New Delhi, TATA**

McGraw Hill

3. Verma B.P., **International Finance: Theory and Practice**, Mumbai, Allied Publishers
4. Sharma V. – **International Financial Management**, New Delhi, Prentice Hall of India
5. Seth A. K. - – **International Financial Management**, New Delhi, Galgotia
6. VijMadhu, – **International Financial Management**, New Delhi, Excel Books

5.4 – Financial Reporting Analysis.

UNIT – 1: (a) Preparation and presentation of Banking Company Final Accounts in accordance with Banking Regulations Act (calculation of rebate on bill discounted)

(b) Study of Accounting Policies from Annual Reports of Banks. (15 Lectures)

UNIT – 2: (a) Preparation and presentation of Corporate Final Accounts for Insurance Companies Final Accounts in accordance with Insurance Legislation.

(b) Study of Accounting Policies from Annual Reports of Listed Insurance Companies (15 Lectures)

UNIT – 3: Preparation and presentation of Corporate Final Accounts and Reports for Trading, Manufacturing and others Companies in Accordance with Revised Schedule VI of Company Final Accounts.

(b) Analysis and Interpretation of the Contents of Annual Reports of Companies covering the following:

- Chairman’s Statement.
- Director’s Report Annexure.
- Corporate Governance Disclosures.
- Compliance Certificate in Corporate Governance Auditors Report.
- Annexure to Auditors Reports including CARO Balance Sheet.

(15 Lectures)

UNIT – 4: Financial Analysis and Interpretation of Final Account using Tools of Financial Management and Investment Analysis like Ratio Analysis, Cash Flows Analysis

(15 Lectures)

Total: (60 Lectures)

Question Paper Pattern

Q1a) From Unit 1	8 marks	OR	Q1a) 8 marks
Q1b) From Unit 1	7 marks	OR	Q1b) 7 marks
Q2a) From Unit 2	8 marks	OR	Q2a) 8 marks
Q2b) From Unit 2	7 marks	OR	Q2b) 7 marks
Q3a) From Unit 3	8 marks	OR	Q3a) 8 marks
Q3b) From Unit 3	7 marks	OR	Q3b) 7 marks

Q4. From Unit 4 15 marks OR Q4. Theory from all Units 15 marks (Any 3 out of 6)
[Note: Q1, Q2 & Q3 even can be ask for 15 marks]

Reference Books

- Advance Accounts by Shukla and Grewal, S. Chand and Company (P) Ltd., New Delhi
- Advanced Accountancy by R.L Gupta and M. Radhaswamy, S. Chand and Company (P) Ltd., New Delhi
- Modern Accountancy by Mukherjee and Hanif, Tata Mc. Grow Hill and Co. Ltd., Mumbai
- Financial Accounting by Lesile Chandwichk, Pentice Hall of India Adin Bakley (P) Ltd., New Delhi
- Financial Accounting for Management by Dr. Dinesh Harsalekar, Multi-Tech. Publishing Co. Ltd., Mumbai
- Financial Accounting by P.C. Tulsian, Pearson Publications, New Delhi
- Accounting Principles by R.N. Anthony and J.S. Reece, Richard Irwin, Inc
- Financial Management: Text and Problems by M.Y. Khan and P.K. Jain, Tata McGraw Hill, New Delhi
- Financial Management: Theory and Practice by Prasanna Chandra, Tata McGraw Hill, New Delhi
- Introduction to Financial Accounting by Horngren, Pearson Publications, New Delhi
- Financial Accounting by M. Mukherjee and M. Hanif, Tata McGraw Hill Education Pvt. Ltd., New Delhi
- Financial Accounting a Managerial Perspective, Varadraj B. Bapat, Mehul Raithatha, Tata McGraw Hill Education Pvt. Ltd., New Delhi
- Financial Management by I.M. Pandey, Vikas Publishing House, New Delhi

5.5 Security Analysis and Portfolio Management

No. of Lectures

UNIT – 1

15

1. An Overview:

- 1.1 Meaning of Investment
- 1.2 Investment versus Speculation
- 1.3 Objectives of investment
- 1.4 Meaning of Portfolio

- 1.5 Meaning of Portfolio management
- 1.6 Portfolio Management Process
- 1.7 Approaches to Investment Decision making.

2. Investment Alternatives:

- 2.1 Non-Marketable Financial Assets
- 2.2 Money Market Instruments
- 2.3 Bonds or Fixed Income Securities
- 2.4 Equity Shares
- 2.5 Mutual Fund Schemes
- 2.6 Life Insurance
- 2.7 Real Estate
- 2.8 Precious Objects.

3. Introduction to Securities Market:

- 3.1 Primary Equity Market
- 3.2 Secondary Market and its Operations
- 3.3 Introduction to Role of NSE and BSE
- 3.4 Process of Buying and Selling Shares at Stock Exchange
- 3.5 Stock Market Quotations
- 3.6 Government Securities Market
- 3.7 Corporate Debt Market
- 3.8 Money Market

UNIT -2

15

1. The Time Value of Money:

- 1.1 Meaning of Time Value
- 1.2 Future Value of a Single Amount
- 1.3 Present Value of a Single Amount
- 1.4 Future Value of an Annuity
- 1.5 Present Value of an Annuity
- 1.6 NPV for even and uneven cash flows

2. Analysis and valuation of Debt:

- 2.1 Types & Features of Debt Instruments
- 2.2 Bond Pricing – Discount Model
- 2.3 Concept of Bond Yields
- 2.4 Concept of Risk in Debt
- 2.5 Basic introduction to Interest Rate movement and its link to Bond Price
- 2.6 Understanding the Determinants of Interest Rates
- 2.7 Rating of Debt Securities

3. Equity Valuation:

- 3.1 Balance Sheet Valuation
- 3.2 Dividend Discount Model

3.3 Earnings Multiplier Approach/P-E Approach

4. Risk and Return:

4.1 Meaning of Risk

4.2 Basic Introduction to Types of Risks

4.3 Measures of Risk

4.4 Basic Practical problems on standard deviation and holding period returns

UNIT 3:

15

1. Financial Statement Analysis:

1.1 Financial Statement

1.2 Financial Ratios

1.3 Comparative Analysis

1.4 Du Pont Analyses

1.5 Problems in Financial Statement Analysis

2. Introduction to Fundamental Analysis:

2.1 Macroeconomic Analysis

2.2 Industry Analysis

2.3 Company Analysis

2.4 Estimation of Intrinsic Value

2.5 Judging Undervaluation / Overvaluation

3. Introduction to Technical Analysis:

3.1 What is Technical Analysis?

3.2 Basic introduction to Charting Techniques

UNIT-4

15

1. Portfolio Theory:

1.1 Portfolio Return

1.2 Portfolio Risk

1.3 Portfolio Diversification

1.4 Optimal Portfolio

2. Capital Asset Pricing Model:

2.1 Basic Assumptions

2.2 Capital Market Line

2.3 Security Market Line

2.4 Inputs Required for Applying CAPM

3. Efficient Market Hypothesis:

3.1 Random Walk and Search for Theory

3.2 What is an Efficient Market?

- 3.3 Empirical Evidence on Weak Form
- 3.4 Empirical Evidence on Semi-Strong
- 3.5 Efficient Market Hypothesis

Total 60

Suggested References:

- 1) **Investment management, Preeti Singh Himalaya publishing house**
- 2) **Security analysis and portfolio management, S. Kevin PHI Learning Pvt. Ltd.**
- 3) **Security analysis and portfolio management, Bhome, Jha, International Book House Publication**
- 4) **Investment Analysis and portfolio management, P.Chandra, Tata McGraw-Hill**
- 5) Financial Market Regulation, Author-Tatom, John A ; Publisher-Springer
- 6) Practical Derivatives, Author-Denton, Jonathaned, Publisher-Global Law and Business
- 7) Financial Derivatives, Author-Koib, Robert W & Overdahl, James A, Publisher-John Wiley & Sons, Inc.
- 8) Financial Markets And Financial Services In India, Author-Kunjukunju, Benson Mohanan,S, Publisher-New Century Publication
- 9) Derivatives And Risk Management, Author-Khatri, Dhanesh Kumar, Publisher-Macmillan Publishers India Ltd
- 10) Financial Management : I MPandey, Vikas Publishing House.
- 11) Financial Management : Khan & Jain or Ravi M Kishore, Taxman
- 12) Financial Management : James C Van Horne, Prentice Hall

5.6 Auditing

Unit I: **15 lectures**

Introduction: Meaning, Objects, Basic Principles and Techniques. Classification of Audit, Audit Planning. Internal Control, Internal Check and Internal Audit, Audit Procedure –

Vouching and verification of Assets & Liabilities. Special Areas of Audit: Special features of Cost audit. Tax audit and Management audit. Recent Trends in Auditing: Basic considerations of audit in EDP Environment.

Unit II: Audit of Limited Companies: **15 lectures**

- Qualification, Disqualification, Appointment, Removal, Remuneration of Auditors.
- Audit Ceiling-Status, Power, Duties and Liabilities of auditors.
- Branch Audit-Joint Audit- Special Audit.
- Maintenance of Books of Account –Related Party Disclosures- Segment Reporting.
- Divisible Profit, Dividend and Depreciation (Companies Act, Standards on Accounting, Legal Decisions and Auditor’s Responsibility).
- Representations by Management-Contents of Annual Report (A Brief Idea).

•Definition-Distinction between Report and Certificate- Types of Reports/Opinion

Unit III: Audit of Bank and Insurance Companies

15

lectures

- Banks- Legislation Relevant to Audit of Banks, Approach to Bank Audit, Internal Control Evaluation, Non-Performance Assets (Concept, Provisions), Long Form Audit Report.
- Insurance Companies- Legislation Relevant to Audit of Insurance companies(Life And General Insurance), Review of Internal Control, Audit Report(Matters as per IRDA).
- Role of regulatory authorities like Department of Company Affairs, SEBI, RBI, IRDA and Comptroller Auditor General of India.

Unit IV: Other Thrust Areas

15 lectures

- Systems Audit- Social Audit- Environment Audit
- Energy Audit- Forensic Audit-Peer review (Concepts, Objectives and Regulatory Requirements).
- Ethics in Auditing – Auditor’s Independence.
- Auditing in CIS Environment.
- Standards on Auditing (Concepts, Purpose and Present Position as to Number and Title as issued by ICAI).
- Professional Liability of Auditors: Code of Ethics with special reference to the relevant provisions of The Chartered Accountants Act, 1949 and the Regulations there under with case studies
- Role of Auditor vis a vis Audit committees & corporate Governance principles

Total: 60 lectures

Suggested Readings

- Gupta, Kamal, Contemporary Auditing, TMH
- Tandon, B.N., Principles of Auditing, S. Chand & Co.
- Sharma, T.R., Auditing Principles & Problems, Sahitya Bhavan, Agra
- Spicer & Pegler, Practical Auditing
- Woolf, Emile, Auditing Today
- Basu, Sanjib Kumar, Fundamentals of Auditing, Pearson
- Auditing Assurance Standards and Guidelines issued by ICAI

6.1 Strategic Management

Objectives:

- To develop an understanding of the general and competitive business environments.
- To enable to understand and resolve cases through strategic decision making.
- To develop an understanding of strategic management concepts and techniques.

	No of Lectures
Unit 1: Introduction to Strategic Management: Meaning, Levels of	(15)