M.Com (2014 Scheme) Elective (Banking and Insurance)

SEMESTER III

CO231 Paper 1  Income Tax Planning and Management
CO232B Paper 2  Modern Banking
CO233B Paper 3  Insurance Law and Practice
CO234B Paper 4  Foreign Exchange Management

SEMESTER IV

CO241B Paper 1  Indirect Taxes
CO242B Paper 2  Investment Banking and Financial Services
CO243B Paper 3  Actuarial Principles and Practice
CO244B Paper 4  Management Optimization Techniques
SEMESTER III
CO231- PAPER 1
INCOME TAX PLANNING AND MANAGEMENT

Objectives

1. To expose the students to the latest provisions of Income Tax Act.
2. To identify the Tax Planning and Assessment Procedures for Individuals, Firms and Companies.

Expected Outcome

Students will get working knowledge regarding legitimate way of tax planning under different financial/managerial decisions after taking into consideration the impact of Direct Tax Laws.

Module 1: Heads of Income - Income from Salary- Income from House Property- Income from Business or Profession- Capital Gains- Income from other Sources- Computation of Total Income. (25 hrs)

Module 2: Clubbing of Income - Aggregation of Income- Set off and Carry forward of Losses- Deduction from Gross Total Income. (10 hrs)


companies- tax on income distributed to unit holders- Tax on income received from venture capital companies and venture capital fund- Problems on Computation of Taxable Income of Corporate Assesses. Tax Planning and Management Decisions- Tax Planning with reference to Financing and Investment Decisions – Make or Buy- Own or Lease-Repair or Replace- Employee Remuneration- Setting up of New Business- Location Aspect- Amalgamation or Demerger .(30 hrs)

**Module 6: Double Taxation Relief**- Meaning- Double Taxation Relief Applicable to Individuals, Firms and Corporate- Double Taxation Avoidance- GAAR (General Anti Avoidance Rules )

NB: 1. Some Case Studies Involving the Learning

3. Necessary Inputs from B. Com Programme

**References:**

**Books**

1. Singhania, V.K: Direct Tax Planning and Management, Taxman, N.Delhi
2. Singhania V. K: Direct Taxes Laws and Practices, Taxman, N. Delhi
4. Mehrotra HC : Direct Tax Planning
5. Kushal Kumar Agrawal: Direct Tax Planning and Management; Atlantic Publishers
6. Bhagavath Prasad: Direct Tax Law and Practice
7. Lakhotia RN : Corporate Tax Planning

**Journals and Circulars**

1. Chartered Accountant Today – Taxman for Current Reading
2. Circulars Issued by CBDT
SEMESTER III
CO232B- PAPER 2
MODERN BANKING

Objectives

1. To understand the relevance of banking in the present scenario
2. To impart practical knowledge about modern banking


[case studies of small and payment banks and implications of past bank mergers and acquisitions]

Module 2:
Corporate Banking : Meaning and importance-various services provided-Cash Management- Debt Management, Factoring and Forfeiting-Trusteeship-Custodial services--Business advisory, Off shore services---Trade services - Corporate Deposits - Importance of Institutional deposits and retail deposits. (20hrs)

Module 3: Retail Banking- Introduction - Applicability of retailing concepts - Distinction between Retail Banking and Corporate / Wholesale Banking -Retail Products-- Overview - Customer requirements- Products development process - Approval process for retail loans-Credit scoring--Important Asset Products – innovative banking products and services. (15 hrs)

[Practical knowledge through bank visits]

Module 4: Credit Management in Banks –Loan Policy – Compliance with RBI guidelines – Credit Appraisal and Credit Decision Making – Monitoring and Review of Loan Portfolio – NPAs – Dealing with credit defaults, Stressed assets, Debt
Restructuring-- SARFAESI Act, 2002--Appraisal methodology for different type of clients / products. (18 hrs)

**Module 5: Risk Management in Banks** - Credit Risk Management - Introduction – Basel norms(I,II and III) - Frame work for risk management - RBI guidelines on risk management - Risk rating and risk pricing - Methods for estimating capital requirements - Credit risk - standardized approach & advanced approach - Credit rating / credit scoring and rating system design - Credit Bureaus - Stress test and sensitivity analysis - Internal Capital Adequacy Assessment Process (ICAAP) (25 hrs)


**References**

1. Gerald Hatler, Bank Investments and Funds Management, Macmillan
3. Dudley Luckett, Money and Banking, McGraw Hill.

**Journals**

1) The Indian Banker, Published by: Indian Banks Association
2) Bank Quest, Published by: Indian Institute of Banking and Finance
SEMESTER III (BANKING AND INSURANCE)
CO233B- PAPER 3
INSURANCE LAW AND PRACTICE

Objectives:
1. To give a comprehensive understanding on the general principles and concepts of insurance, insurance practices and procedures
2. To create awareness among students on the legal framework of insurance


(15 hours)


(22 hours)

Module 3: Classification of insurance policies - Meaning, features, significance, elements of protection and investment, service providers for various policies - General Insurance - Personal Insurance (Medical, Accidental, Property, Vehicle), Rural Insurance, Farm Insurance, Industrial Insurance, Commercial Insurance - Life Insurance - Whole Life Plan, Endowment, Money Back, Term plan, ULIP- Others insurance policies - Home insurance, Travel insurance, Health Insurance etc

(20 hours)

Module 5: Development of Insurance products - Core functions of an insurance company - Product Development- Customer Servicing- Marketing and Promotion - Insurance Sales – Underwriting- Policy Administration- Claims- Reinsurance-Actuarial Support- Accounting and Investment- Training and Development.- Changing face of Indian Insurance Industry – Bancassurance, technology enabled insurance, micro insurance, social insurance, etc - Challenges faced by the insurance industry in this globalised era (15 hrs)


SUGGESTED READINGS:


13. Peter Zweifel (Author), Roland Eisen “Insurance Economics”
Journals –
15. IRDA Journal, “The Journal” by Insurance Institute of India
16. Journal of Insurance and Risk Management by Birla Institute of Management and Technology
17. The Journal of Risk and Insurance, edited by Keith J. Crocker, served online at Wiley Online Library
SEMESTER III
CO234B-PAPER 4
FOREIGN EXCHANGE MANAGEMENT

OBJECTIVES:

• To introduce macro level operations of Foreign Exchange Management and to enable the students to understand concepts and techniques of foreign exchange.

• To examine different theories of Exchange Rate Behaviour, Risk, Foreign Exchange Market and their operations.


SUGGESTED READINGS:

• Dr S. Kevin , International Finance , Prentice Hall
SEMESTER IV
CO241B- PAPER 1
INDIRECT TAXES

Objectives : 1. To gain expert knowledge of the principles and laws relating to the Service Tax, Central Excise Duty, Customs duty and Central Sales Tax

Module 1: Introduction- Definition – Scope – Nature – Difference between direct and indirect tax (4 hrs)

Module 2: Service Tax in India - Procedure- Introduction – Exempted Services Vs Services included in the negative list - General exemption from payment of Service Tax - Registration- issue of invoice – bill or challan or consignment note – person liable to pay Service Tax - Payment of Service Tax – Exemptions available for small service providers - returns – Large tax payer – records and access to a registered premises. (23hrs)


Punishments - Appeals and Revisions- Tax Liability and Valuation of Goods–Penalties, Offences and Punishments-Concession to small scale industries (20 hrs)


REFERENCES

1. Indirect Taxes - Dr. H.C Mehrotra and Prof.V.P. Agarwal, SahityaBhavan Publications, Agra


3. Indirect Taxes – Dr. V. Balachandrran, Sultan Chand and Sons, New Delhi
SEMESTER IV
CO242B- PAPER 2
INVESTMENT BANKING AND OTHER FINANCIAL SERVICES

Objectives:

1. To expose students to the world of investment banking.
2. To provide an introduction and general understanding to students about some of the other financial services

Module 1: Fundamentals of Investment Banking - Concept of Financial Services - Importance - Fund and Fee based services. Investment Banking - Concept - History and emergence of Investment Banking - Functions performed by Investment banks - Types of players in Investment banking - Difference between commercial banking, merchant banking and investment banking - Investment Banking in India. (15 hrs)

Module 2: Business of Investment Bankers - Business of raising funds through issue of equity and debt / Fixed income instruments including international funding and rating. Business of trading. Business of mergers and acquisitions - the buy and the sell side - conflicts of interest - the trusted advisors role. Business of creating value through corporate restructuring - Wealth management business. (25 hrs)

Module 4: Venture capital, Housing Finance and Securitisation of debt-
Venture capital-Theoretical framework-Indian Venture Capital Scenario. SEBI Regulations.
Housing Finance-Concept-Role of housing and housing finance in the economy-
Evolution of housing and housing finance in India. Securitisation of debt-Concept-
Players-Operational mechanism-Securitisation in India. (25 hrs)

Module 5: Other fund based financial services-Leasing-Concept and classification-
Financial evaluation of leasing from lessee’s and lessor’s perspective-Leasing in India-
Mortgage, hypothecation, pledge, lien – Difference between pledge and lien, pledge and
bailment, pledge and hypothecation, mortgage and hypothecation, mortgage and pledge.
(15 hrs)

Module 6: Fee Based Financial Services-Depository Services-Concept-Depository System in India. Stock Broking- Concept-Stock brokers, Sub brokers & foreign brokers in India -Stock market trading in India - Derivatives trading in India. Credit Rating-
Concept-Rating process and methodology-Credit rating in India-SEBI Regulations-
Credit Rating Agencies in India. (14 hrs)

Practical: Students should at least study 4 to 5 cases in the above mentioned areas and make a presentation in class

References

1. AIBI’s Due Diligence Handbook
2. AIBI’s Code of Conduct for Merchant Bankers
8. M Y Khan, Financial Services, Tata McGraw Hill Education
13. SEBI guidelines and latest amendments in the above segments
SEMESTER IV
CO243B-PAPER 3
ACTUARIAL PRINCIPLES AND PRACTICE


Module 3: Mortality tables - Probabilities of Survival and Death - Computation of mortality rates - Preparation of mortality tables - Mortality tables for insurance and for annuities - Valuation of Life Insurance Risks and Principles underlying - Determination of Life Reserves: Meaning, Methods of calculation of Life Reserve: Terminal, initial and mean reserves - Actuarial Analysis of pension plans. (25 hrs)


Module 5: Valuation of Insurance companies- Valuing an insurance company – operating an insurance company – regulating an insurance company. (15 hrs)

Module 6: Cases on insurance company valuation. (13 hrs)
References:


2. Babbel, David F. and Graig B. Merrill, Valuation of Interest, Sensitive Financial Instruments, Society of Actuaries, Maringale.

3. Whatsham: Futures & Options in Risk Management, Thomson


6. Course material and books published by "Insurance Institute of India", Mumbai.
SEMESTER IV
CO244B-PAPER 4
MANAGEMENT OPTIMIZATION TECHNIQUES

Objectives:

1. To impart knowledge on various facets of project management viz. project preparation, feasibility study as well as project scheduling and monitoring.
2. To convey basic principles of project optimization using various Operational Research tools.


Module 2: Linear Programming – Formulation of LPP – Maximize, Minimize objective function-constraints and non-negativity conditions- Graphical solution –optimal solution- Infeasible and unbounded solutions- degeneracy- Simplex Method – Slack, surplus and artificial variables- Duality – Primal and Dual Problem (15 hrs)


Module 4: Other Optimization Techniques Game Theory- Pure and Mixed Strategy- Pay off matrix- Maximin and Minimax – Saddle point- Solution of pure strategy games- Arithmetic method of solving mixed strategy games- Replacement theory- replacement of capital items and items that fail completely- Individual and group replacement policy. (10 hrs)
Module 5: Project Scheduling and Monitoring
Network Analysis - Network analysis: scheduling and control of projects via identification of the critical path - free independent and total float (slack), PERT – time estimates and probability of completion - cost/time tradeoff analysis- crashing of projects and resource considerations

(25 hrs)

Module 6: Queuing Theory- Models (Simple problem), Inventory models-
computation

(15 hrs)

References:
1. JK Sharma- operation Research- Theory and Practice- Mac Millan