Mandatory

ProgrammeName: M. Com (Advanced Accountancy)
CourseName: Financial Services

TotalCredits:04 **TotalMarks:100**
UniversityAssessment:50 **CollegeAssessment:50**

Aims & Objectives:

1. To introduce learners to the concept of financial services, with critical evaluation of leasing service.
2. To familiarise learners with various attributes of factoring.
3. Learners understand the different types of alternative investment funds and how they differ from traditional investment funds.
4. Learners understand and analyse the fundamental concepts of portfolio management, including portfolio analysis and risk management.

CourseOutcomes:

1. The learners will be able to critically evaluate and interpret financial attributes of leasing.
2. The learners will be able to calculate the effective costs of factoring.
3. The learners will be able to categorize and evaluate various alternate investments funds.
4. The learners will be able to compare and contrast various investment avenues considering its risk- return.

MODULEI: (2CREDITS)

Unit1: Financial Services: Leasing

- Introduction to Financial Services: Meaning and Types
- Leasing : Meaning, Types, Advantages and Disadvantages.
- Regulatory Aspects of Leasing.
- Evaluation of Lease: From lessee's and lessor's perspective.
- Lessee's Perspective: Present Value Analysis, Internal Rate of Return analysis, and Bower- Herringer Williamson Method.
- Lessor's perspective: : Net Present Value and Internal Rate of Return Method.
- Calculation of Break Even Lease Rental.

Unit2: Financial Services: Factoring

- Introduction, Definition and Mechanism and Growth of factoring.
- Regulatory Aspects of Factoring.

- Functions of factor.
- Forms of Factoring: Recourse and Non – Recourse, Advanced and Post facto, Full, Disclosed and Undisclosed, Domestic and Cross Border.
- Forfaiting: Meaning, Process and Difference between forfaiting and export factoring.
- Calculation of net cost of factoring.

MODULEII: (2CREDITS)

Unit3: Alternative Investment Funds

- Introduction, Evolution, Avenues, Distinguish between Traditional and Alternative Investment Funds and Difference between Alpha and Beta.
- Types: Venture Capital Fund, Angel Fund, Private Equity Fund, Special Fund, Debt Fund, Infrastructure Fund, SME Fund, Hedge Fund and Social Venture Fund. (Theoretical aspects only)
- Calculation of Returns: Yield to Maturity, Multiple on Invested Capital, The Kaplan-Schoar Public Market Equivalent (KS-PME) and Direct Alpha Method.

Unit4: Portfolio Management Services

- Portfolio Management Services: Meaning, Advantages, Types, Strategies: Active and Passive Strategies.
- Portfolio Analysis: Traditional Vs Modern - Rationale of Diversification - Markowitz Theory - Effect of Combining two securities.
- Measurement of Expected Return of Portfolio - Portfolio Risk (including Practical Problems).

Reference Books

- Reilly: Investment Analysis and Portfolio Management, Thomson
- Fisher Donald E & Ronald J Jordan: Securities Analysis & Portfolio Management, PHI
- Francaia Jack Clark & Richard W Taylor: Theory & Problems of Investment, Mcgra
- PunithavathiPundyan: Securities Analysis & Portfolio Management, Vikas
- Avadhani, V.A: Investment & Security Management in India, Himalaya
- Gangadhar V: Investment Management, Anmole
- Sulochana M: Investment Management, Kalyani
- Strong: Practical Investment Management, Thomson
- Avadhani, V.A: International finance, Himalaya