

# **ST. JOSEPH'S COLLEGE OF COMMERCE**

(Autonomous)

163, Brigade Road, Bangalore – 560 025

Accredited and Re-Accredited with 'A' Grade by the  
National Assessment and Accreditation Council (NAAC)

Recognized by the UGC as  
**“COLLEGE WITH POTENTIAL FOR  
EXCELLENCE”**



**Master of Commerce (Financial Analysis)**

**Semester III & IV**

**(2020-2022 BATCH)**

**Academic year 2021-2022**

## **St. Joseph's College of Commerce**

(An Autonomous Institution affiliated to Bengaluru Central University)

Dedicated to Excellence with Relevance

St. Joseph's College, Bangalore was established in 1882 by the French Missionary Fathers for the purpose of imparting higher education. In 1937, the management of the college was handed over to the Jesuits, a worldwide Religious order going by the name 'Society of Jesus'. The college and its sister institutions are now managed by the Bangalore Jesuit Educational Society (Regd). A department of Commerce was established in the College in 1949. In 1972, this department became an independent college by the name St Joseph's College of Commerce.

Since its inception as an independent institution, the College has shown growth and progress in academics, co-curricular and extra – curricular activities. Besides, there has been a constant effort made by the college to acquire excellence in every aspect of good education. Currently it stands re-accredited to the National Assessment and Accreditation Council (NAAC) with an 'A' grade. In February 2010, the college was recognized by the UGC as a "College with Potential for Excellence".

The college aims at the integral formation of its students, helping them to become men and women for others. Though it is a Christian minority institution, the college has been imparting liberal education to the students of all denominations without any discrimination. St. Joseph's College of Commerce is affiliated to Bengaluru Central University and became autonomous in September 2005. The motto of the college is Fide-et-Labore or 'Faith and Toil' and the college attempts to inculcate the motto in every student through its various programmes.

The College is committed to providing quality education to its students. It offers Bachelors in Commerce/Management and Post-Graduate Programmes; Masters in Commerce (Regular/Financial

Analysis/International Business). Highly qualified staff members, quest for research, excellent infrastructure of the college like spacious classrooms, good library and computer lab facilities helps to promote academic excellence.

## **GOALS OF THE M.COM (FINANCIAL ANALYSIS) PROGRAMME**

1. Enables to understand and use practical tools of finance required in decision making.
2. Develops understanding of how financial markets work in practice and how to use it in a professional environment.
3. The programme aims at developing skills to do a thorough analysis of financial statements and use them as basis for financial decision making.
4. The programme provides hands on, practical approach to understand, analyze, and duly compare published financial statements in the light of various accounting norms in force.
5. The programme also aims at developing key foundations of finance, the valuation principles and schemes in general, the understanding of the requirement of return with risk, valuation of various asset classes' projects etc.
6. Offering an in-built opportunity to explore on the job training through an internship period of six months in any vertical that is finance related.

### **I. ELIGIBILITY FOR ADMISSION:**

Admission Requirement and Admission test:

- i. Candidates who have passed B.COM or BBM of any recognized university and have secured at least 50% of mark in the aggregate of all papers studied in the qualifying examinations are eligible for admission into this course.
- ii. Admission will be based on an entrance test conducted by the college. Marks scored at the test and qualifying examination will be considered for final selection.

## **II. DURATION OF THE PROGRAMME:**

The programme of the study is 2 years of four (4) semesters. A candidate shall complete his/her degree within four (4) academic years from the date of his/her admission to the first semester.

## **III.MEDIUM OF INSTRUCTION:**

The medium of instruction shall be English.

## **IV. ATTENDANCE:**

- a. A student shall be considered to have satisfied the requirement of attendance for the semester, if he/she has attended not less than 75% in aggregate of the number of working periods in each of the subjects compulsorily.
- b. A student who fails to complete the PROGRAMME in the manner stated above shall not be permitted to take the end semester examination.

## **M.COM (FINANCIAL ANALYSIS) PROGRAMME MATRIX, PROGRAMME STRUCTURE AND SEMESTER SCHEME OF EXAMINATION:**

Refer pages 7 to 9

## **V. TEACHING AND EVALUATION:**

M.Com/MBA/MFA/MBS/Ph.D graduates with B.Com/BBA/BBS as basic degree from a recognized university are only eligible to teach and evaluate the courses including part-B courses of I and II semesters

## **VI. EVALUATION SYSTEM:**

Evaluation for PG programme consists of two components, viz. Continuous Internal Assessment (CIA) and End Semester Examination (ESE) with the weightage of 30% and 70% respectively.

Continuous Internal Assessment (CIA) includes a centrally organized MID-TERM Test for 20 marks and other exercises administered by the teacher such as Surprise test / quiz / business case analysis/ Assignment / Presentation/ Research Project/ Research article/ Seminar etc. for an aggregate of 10 marks. Each teaching faculty is required to maintain a record of the Continuous Internal Assessment (CIA). Under the PG programme, a student must score a minimum of 12 marks through CIA.

The End Semester Examination will be conducted at the end of each semester. The duration and maximum marks for the End Semester Examination is 3 hours and for 70 marks.

## **VII. MINIMUM FOR A PASS:**

A PG student has to get a minimum of 40% marks in the ESE (28 on 70) and 40% aggregate in CIA & ESE (40 on 100) for a pass in each subject. The minimum SGPA to qualify for the M.Com degree is 5.00 and a pass in all subjects.

## **VIII. CLASSIFICATION OF SUCCESSFUL CANDIDATES:**

Grading System for Choice Based Credit System (CBCS) – The College adopts a ten point grading system. The modalities and the operational details are as follows:

- i. Credits – Credits are assigned to subjects based on the following broad classification

Subject Category	Instruction hours/week	Credits
Major Core	4 hours	4
Allied Required	3 hours	3
Allied Optional	3 hours	3
Graded Subjects	2hours	1

- ii. Grade points – The papers are marked in a conventional way for 100 marks. The marks obtained are converted to grade point according to the following table. If a student is absent for the paper the grade point assigned is 0.

% Marks	95-100	90-94	85-89	80-84	75-79	70-74	65-69	60-64	55-59	50-54	45-49	40-44	Below 40
Grade Points	10	9.5	9	8.5	8	7.5	7	6.5	6	5.5	5	4.5	0

- iii. The semester grade point average (SGPA) - is the sum of the product of the credits with the grade points scored in all subjects divided by the total credit of Part A and Part B in the semester.

$$SGPA = \frac{\sum \text{Credits} \times \text{Grade Points}}{\text{Total Credits}}$$

Minimum SGPA for a pass is 5.

If a student has not passed in a subject or is absent then the SGPA is not assigned.

- iv. The cumulative grade point average (CGPA) - is the weighted average of all the subjects undergone by a student over all the six semesters of a PROGRAMME.

CGPA =  $\frac{\sum \text{Total credits in the semester} \times \text{SGPA}}{\text{Total credits of the PROGRAMME}}$ . SGPA and CGPA will be rounded off to two decimal places. Interpretation of SGPA/CGPA/ Classification of final result for a PG PROGRAMME.

v. Interpretation of SGPA/CGPA/ Classification of final result for

<b>SGPA/CGPA/ Subject Grade Point</b>	<b>Grade</b>	<b>Result/Class Description</b>
9.00 – 10.00	O	Outstanding
8.00-8.99	A+	First Class Exemplary
7.00 – 7.99	A	First Class Distinction
6.00 – 6.99	B+	First Class
5.50 – 5.99	B	High Second Class
5.00 – 5.49	C	Second Class
4.00 – 4.99	P	Pass Class
Below 4	RA	To Re-Appear

### **IX. PATTERN OF QUESTION PAPER:**

**Question Paper Pattern: (3 Hours duration, Max. Marks: 70)**

Section A	Analytical questions	5 marks x 4 questions	20 Marks
Section B	Essay questions	12 marks x 3 questions	36 Marks
Section C	Compulsory questions/Case study	14 marks x 1 question	14 Marks
		<b>Total</b>	<b>70 Marks</b>

### **X. M.Com FA Corporate Internship:**



The progression of the corporate internship of a duration of six months is supervised and evaluated at two levels ie., by an internal guide allocated by the college and external mentor allocated by the organization.

The student will report to the internal guide once/twice a month, thus enabling the tracking of learning and work progress of the student.

Each candidate shall submit a comprehensive Internship Report at the end of the internship term. Based on the performance of the student the internal as well as the external guide will assign marks out of 150 each totaling to 300 marks for the performance of the student during the internship. The guides will fill out a Matrix based Evaluation form consisting of 10 criterion spread across academic, inter-personal and soft skill characteristics expected of an employee by an organization.

**M.COM (FINANCIAL ANALYSIS PROGRAMME STRUCTURE PROGRAMME MATRIX)**

<b>Content</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>Total</b>
	<b>I. ACADEMICS</b>				
Major core	<ul style="list-style-type: none"> <li>• Company legislations and compliance</li> <li>• Advanced Financial Management</li> <li>• Financial Markets and Regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reporting and analysis</li> <li>• Forex and Derivatives</li> <li>• Securities Analysis and Portfolio Management</li> <li>• Goods and Service Tax (GST)</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate tax planning</li> <li>• Strategic cost and Management Accounting</li> <li>• Business Ethics And Corporate Governance</li> <li>• Valuation</li> <li>• Mergers and Acquisitions</li> </ul>		
Allied Required	<ul style="list-style-type: none"> <li>• Economics for Managers</li> <li>• Research Methodology</li> </ul>	<ul style="list-style-type: none"> <li>• Business Information System</li> <li>• International Business Environment</li> </ul>	-	-	
Major Optional	NA	NA	<ul style="list-style-type: none"> <li>• Project Appraisal and Finance</li> </ul>	-	
Allied Optional	*3 Hrs/3 Credits (as per list given below)	*3 Hrs/3 Credits (as per list given below)	-	-	
Skill Based	-	-	<ul style="list-style-type: none"> <li>• Financial Modeling</li> </ul>	<ul style="list-style-type: none"> <li>• SAP(FICO)</li> </ul>	
Corporate Internship	-	-	-	*12 Hrs/12 Credits (as per list given below)	
<b>TOTAL</b>	<b>21 Cr</b>	<b>25 Cr</b>	<b>28 Cr</b>	<b>16 Cr</b>	<b>90</b>
	<b>II SKILL ORIENTED / VALUE ADDED PROGRAMMES</b>				
QTLR for Competitive Exams (NET, SLET, Bank Exams, UPSC, KPSC etc)	1 Cr	1 Cr	-	-	
Analysis of Current Business and Economics	1 Cr	1 Cr	-	-	
Econometrics	-	-	1 Cr	-	
Managerial Communication	1 Cr	-	1 Cr	-	
<b>TOTAL</b>	<b>3 Cr</b>	<b>2 Cr</b>	<b>2 Cr</b>	<b>-</b>	<b>7</b>
	<b>III EXTENSION ACTIVITIES, CO-CURRICULAR &amp; OTHERS</b>				
Extension/Extra Curricular & Others		1 Cr	-	1 Cr	
	-	1 Cr	-	1 Cr	2
<b>TOTAL</b>	<b>24 Cr</b>	<b>28 Cr</b>	<b>30 Cr</b>	<b>17 Cr</b>	<b>99</b>

**M.COM (FINANCIAL ANALYSIS) PROGRAMME  
STRUCTURE (for I & II Semesters) SEMESTER  
SCHEME OF EXAMINATION  
CORE SUBJECTS  
SEMESTER – III**

Subject Code	Title of the Paper	Hours per week	Marks		Total Marks	Credits
			CIA	ESE		
P515MC301	Corporate tax planning & Law	4	30	70	100	4
P515MC302	Strategic cost and Management Accounting	4	30	70	100	4
P516MC303	Business Ethics And Corporate Governance	4	30	70	100	4
P517MC304	Business Valuation	4	30	70	100	4
P517MC305	Mergers and Acquisitions	4	30	70	100	4
P517FA301	Project Appraisal and Finance	4	30	70	100	4
P521SB302	Financial Modeling	4	30	70	100	4
<b>Total</b>		<b>28</b>	<b>210</b>	<b>490</b>	<b>700</b>	<b>28</b>

**SEMESTER – IV**

Subject Code	Title of the Paper	Hours per week	Marks		Total Marks	Credits
			CIA	ESE		
P515SB401	SAP(FICO)	4	30	70	100	4
P517SB402	Corporate Internship	12	30	70	300	12
<b>TOTAL</b>		<b>16</b>	<b>60</b>	<b>140</b>	<b>400</b>	<b>16</b>

*CIA – Continuous Internal Assessment*

**M.COM (FINANCIAL ANALYSIS) PROGRAMME  
STRUCTURE (for I & II Semesters) SEMESTER  
SCHEME OF EXAMINATION  
GRADED SUBJECTS (VALUE ADDED COURSE)  
SEMESTER – III**

Subject Code	Title of the Paper	Hours per week	Marks		Total Marks	Credits
			CIA	ESE		
P521ECO 301	Econometrics	2	GRADE POINTS			1
P115 MCE 301	Managerial Communication - II	2				1
<b>TOTAL</b>		<b>4</b>	-	-	-	<b>2</b>

**SEMESTER – IV**

Subject Code	Title of the Paper	Hours per week	Marks		Total Marks	Credits
			CIA	ESE		
P517 EA 401	Extension Activity	-	GRADE POINTS			1
<b>TOTAL</b>		<b>-</b>	-	-	-	<b>1</b>

## **Outcome Based Education (OBE)**

### **M.Com (Financial Analysis)**

#### **Program Educational Objectives (PEO)**

After undergoing the **M.Com (Financial Analysis)** Programme, the student will be able to:

1. attain conceptual knowledge in multiple disciplines of analytics, comprising of Accounting, Mathematics, Statistics, Econometrics, Information Technology and Management
2. pursue a career and further their studies in the area of analytics for life-long learning and continuous professional growth and development
3. adapt to a rapidly changing environment with their newly learnt applied skills, become socially responsible and value driven citizens committed to sustainable development.

#### **Program Outcomes (POs)**

At the end of the **M.Com (Financial Analysis)** Programme, graduates will be able to:

##### **PO1. Business Environment and Domain Knowledge (BEDK):**

demonstrate conceptual managerial knowledge across functional domains and advanced knowledge in the area of specialization with an integrative ability, awareness and relationship between business and its environments, both in national and global context

##### **PO2. Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI):** demonstrate critical business thinking in core functional areas of business and the ability to take decisions with holistic perspective

##### **PO3. Research and Design thinking:** design and develop conceptual knowledge by using contemporary research tools for effective performance, and recognize the need for self- motivation to engage in life-long learning

##### **PO4. Economic, Social and Environmental Sustainability:** understand the impact of the professional management

solutions in societal, economic and environmental contexts, demonstrate the knowledge and need for sustainable development

- PO5. **Leadership and Teamwork (LT):** function effectively as an individual, and as a member or leader in diverse teams, and in multidisciplinary settings
- PO6. **Modern Tool Usage:** create, select and apply appropriate techniques, resources, modern management and IT tools, including prediction and modeling, to complex management activities with an understanding of the limitations
- PO7. **Entrepreneurial Perspective:** identify, assess and shape entrepreneurial opportunities and evaluate their potential for business success
- PO8. **Social Responsiveness and Ethics (SRE):** develop responsiveness to contextual social issues/problems and explore solutions, understand business ethics and resolve ethical dilemmas
- PO9. **Global Perspective:** demonstrate a global outlook with the ability to identify aspects of the global business and cross- cultural understanding
- PO10. **Independent and life-long learning:** achieve higher levels of proficiency and self-actualization through the pursuit of life-long learning

### **Program Specific Outcomes (PSOs)**

- PO11. **Financial Analytic decisions:** apply analytics techniques to analyze and interpret the data using tools such as Microsoft Excel, Gretel and R Programming, to solve business analytics problems
- PO12. **Perform descriptive, predictive and prescriptive analytics:** identify the advanced topics in the area of analytics (Financial problem) with their knowledge in different functional areas of management and perform descriptive, predictive and prescriptive analytics with structured, semi – structured and unstructured data

## **P515 MC 301: CORPORATE TAX PLANNING & LAW**

### **COURSE OBJECTIVES:**

The students will be able to

1. Calculate the taxable income of companies and corporate tax liability in compliance with Income tax act of 1961 as a part of corporate tax planning and management.
2. Justify the implications of Tax concessions and incentives in setting up of new Business unit in the context of SEZ and R & D expenditure decisions.
3. Examine the tax exemptions and restraints available for inbound and outbound investments of NonResidents under tax treaties with Mauritius, Singapore Netherland and Cyprus /FEMA
4. Design a tax planning as a tool of managerial decision to take advantage of tax deductibles under Income tax act of 1961
5. Illustrate the mechanism of carry forward losses in respect of Amalgamation, de- merger and conversion of firm into company.

### **Module 1:**

Meaning of Assessee, Corporate Assessee, Computation of taxable income of companies, Computation of the amount of corporate tax liability; Carry forward and set off of losses in the case of certain companies under Sec. 79 of Income -tax Act, 1961; Minimum Alternate Tax; Tax evasion and tax avoidance; Nature and scope of tax planning and management in the corporate sector; Justification of corporate tax planning and management. Tax on distributed profits of domestic companies; Tax on income distributed to unit holders.

## **Module 2:**

**Implications of Tax concessions and incentives** for corporate decisions in respect of setting up a new business, location of business and nature of business. Special Economic Zones (SEZ) – sections 80IAB, 80IB, 80IC, 35AD, 10AA. Deduction for R&D expenditure under section 35.

## **Module 3:**

**Taxation of non-residents**, double tax treaties, royalty, fees for technical services, transfer pricing analysis – sections 90 to 94A.

Inbound investment – tax planning, capital gains tax exemption under tax treaties between India and Mauritius, Singapore, Netherlands, Cyprus (including the Limitation of benefits clause, if any). Outbound investment – tax planning, restrictions under FEMA

## **Module 4:**

**Tax planning with reference to managerial decisions-** Owning or leasing of an asset; purchasing of assets by installment system or Hire System; Purchasing of an asset out of own funds or out of borrowed capital; manufacturing or buying; Repairing, replacing, renewing or renovating an asset; Sale of assets used for scientific research; Shutting down or continuing operations.

## **Module 5:**

**Restriction on carry forward of losses** – Section 79; Tax Planning in respect of amalgamation or de-merger of companies or Slump sale or conversion of a firm into a company. General Anti-Avoidance Rules

## **COURSE OUTCOMES:**

After completion of the course, the students will be able to

Compute the taxable income of companies and corporate tax



liability in compliance with Income tax act of 1961 as a part of corporate tax planning and management.

1. Examine the implications of Tax concessions and incentives in setting up of new Business unit in the context of SEZ and R & D expenditure decisions.
2. Evaluate the tax exemptions and restraints available for inbound and outbound investments of Non Residents under tax treaties with Mauritius, Singapore Netherland and Cyprus /FEMA
3. Devise a tax planning as a tool of managerial decision to take advantage of tax deductibles under Income tax act of 1961
4. Illustrate the mechanism of carry forward losses in respect of Amalgamation, de- merger and conversion of firm into company

#### **Books for Reference:**

- *E.A. Srinivas, Corporate Tax Planning, Tata McGraw Hill.*
- *Vinod K. Singhania, Taxmann's Direct Taxes Planning and Management.*
- *V.S. Sundaram, Commentaries on the Law of Income-Tax in India, Law Publishers, Allahabad.*
- *A.C. SampathIyengar, Law of Income Tax, Bharat Publishing House, Allahabad.*
- *Taxman, the Tax and Corporate Law Weekly.*
- *Bhagmati Prasad, Direct Taxes Laws Practice, Wishwa Prakashan.*

# **P515 MC 302: STRATEGIC COST AND MANAGEMENT ACCOUNTING**

## **COURSE OBJECTIVES:**

The students will be able to

1. Explain the contribution of each method and technique of costing in the ascertainment of cost and control of cost.
2. Examine the applicability and implications of Marginal costing and CVP in the context of Product mix, Pricing and volume decisions.
3. Compare and contrast the implications of functional and flexible budgets in the context of budgetary control.
4. Justify the adoption of a pricing option range from differential price to export pricing
5. Illustrate the applicability and implications of contemporary concept of costing range from Activity based costing to Balance Score Card.

## **Module 1:**

Basic Concepts – Types of costing, methods and techniques of costing, nature of variable, semi variable, fixed costs, sunk costs, opportunity cost, differential costs and revenues.

## **Module 2:**

**Marginal costing & CVP Analysis** - Marginal costing (practical application technique), key or limiting factors analysis, profit planning, optimizing product mix, make or buy decision, price fixation, discontinuance of product, diversification of product line, accept or reject new order, close down of operations. Relevant Cost Analysis, incremental costing, short term decision making.

Uses of CVP analysis, simple, elaborate, cash, control, profit volume charts.

### **Module 3:**

**Budgeting and Budgetary Control** - Budget Concepts and Budget Preparation, Fixed and Flexible Budgets, Fixed, variable, semi- variable and activity-based categorizations of cost and their application in projecting financial Results, Zero Base Budgeting (ZBB), Budgetary Control.

### **Module 4:**

**Pricing decisions** – differential price, shadow price, transfer price, export pricing, relation of cost and prices, mechanism of price fixation.

### **Module 5:**

**Contemporary concepts-** Activity based costing, life cycle costing, target costing, Cost of quality and TQM ,Responsibility accounting & divisional performance measurement, Financial and nonfinancial performance measurement(ROI, RI, EPS, NPV etc.), target costing, Kaizen costing, Balance Score Card.

### **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Explain the contribution of each method and technique of costing in the ascertainment of cost and control of cost.
2. Examine the applicability and implications of Marginal costing and CVP in the context of Product mix, Pricing and volume decisions.
3. Compare and contrast the implications of functional and flexible budgets in the context of budgetary control.
4. Justify the adoption of a pricing option range from differential

price to export pricing

5. Illustrate the applicability and implications of contemporary concept of costing range from Activity based costing to Balance Score Card.

**Books For Reference:**

- *Arora M. N.: A Text Book of Cost Accountancy, Vikas Publishing Pvt. Ltd.*
- *AsishBhattacharya: Principles and Practice of Cost Accounting, Sultan Chand.*
- *Bhabatosh Banerjee: Cost Accounting, World Press.*
- *Bhar B. K.: Cost Accounting - Method & Problems, Academic Publishers.*
- *Edmonds, Edmonds &Tsay: Fundamental Managerial Accounting Concept, Irwin McGraw Hill.*
- *Eldon S. Hendriksen: Accounting Theory, Richard D. Irwin.*
- *Horngren, Foster &Datar: Cost Accounting – A Managerial Emphasis, Prentice Hall.*
- *Moriarity & Allen: Cost accounting, John Wiley.*
- *Most K. S.: Accounting Theory, Holt, Rinehart & Winston.*
- *Owler & Brown: Wheldon's Cost Accounting, Macdonald.*
- *Prasad N. K. & A. K. Prasad: Cost Accounting, Book Syndicate.*
- *Saxena & Vashist: Cost Accounting (Text), Sultan Chand.*
- *Saxena V. K. & C. D. Vashist, Advanced Cost & Management Accounting – Problems & Solutions, Sultan Chand.*

- *Van Horne J. C.: Financial Management and Policy, Prentice Hall.*
- *Weston & Brigham, Essentials of Managerial Finance, Dryden Press.*

## **P516 MC 303: BUSINESS ETHICS AND CORPORATE GOVERNANCE**

### **COURSE OBJECTIVES:**

The students will be able to

1. Identify the contributions of philosophical system, Religion, principle of rights and codes of ethics role in developing an Ethical Decision making Model at personal, Professional, Business and corporate governance level.
2. Examine the implications of Ethical and unethical practices in the context of issues of marketing management.
3. Examine the implications of Ethical and unethical practices in the context of issues of Human Resources Management.
4. Examine the implications of Ethical and unethical practices in the context of issues of Finance and Accounts.
5. Justify the contributions of principles of corporate governance and obligations of the stakeholders towards building governance model for Indian corporates.
6. Evaluate the implications of sustainable development practices and standards on CSR in the practices of CSR in India firms.

### **Module 1:**

**Business Ethics an overview:** Nature - Need - Importance, Sources of Ethics: Religion, Philosophical System. Ethical Concepts: Values - Moral Standards – Principles of Rights – Justice – Equality- Care – Virtue- Agency – Prisoners Dilemma - Types and codes of ethics. Kantianism - KohlsbergVsUtilitarianism, Individualism Vs Collectivism. Ethical Decision Making Model.

## **Module 2:**

**Ethical issues in Marketing Management** – Marketing Strategy, Marketing Mix – Pricing and Distribution- Advertising and its Impact. Product Safety - Due Care theory -Contractual theory – Strict Liability Theory.

## **Module 3:**

**Ethical issues in Human Resource Management** – Nature of employment contracts, Ethical hiring, equality of opportunity, Ethics and Remuneration; Ethics in Retrenchment.

## **Module 4:**

**Ethical issues in Finance and Accounts** – Importance of Financial Statements, Importance of Transparency in Disclosure, Ethical issues in Mergers and Acquisition, Insider trading, Money Laundering. Banking Ombudsman Scheme. Right to information Act.

## **Module 5:**

**Corporate Governance:** Meaning– Definition- Significance- Principle of Corporate Governance- Issues- Strategies and Techniques to Sound Corporate Governance- Indian Model. Obligation: investors, employees, customers, Managerial. Legislative Changes, OECD recommendations, Cadbury Committee, Birla Committee.

## **Module 6:**

**Corporate Social Responsibility:** Definition – importance – Scope – Advantages – Steps- Theoretical Justification for CSR- CSR as a Business strategy for sustainable Development- External Standards on CSR- Indian perspective- Ethics and CSR of business. Companies Act (Amendment) 2013 on CSR

## **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Identify the contributions of philosophical system, Religion, principle of rights and codes of ethics role in developing an Ethical Decision making Model at personal, Professional, Business and corporate governance level.
2. Examine the implications of Ethical and unethical practices in the context of issues of marketing management.
3. Examine the implications of Ethical and unethical practices in the context of issues of Human Resources Management.
4. Examine the implications of Ethical and unethical practices in the context of issues of Finance and Accounts.
5. Justify the contributions of principles of corporate governance and obligations of the stakeholders towards building governance model for Indian corporates.
6. Evaluate the implications of sustainable development practices and standards on CSR in the practices of CSR in India firms.

### **Books for Reference:**

- *Ferrell, O.C., Fraedrich, John, and Ferrell, Linda (2008). Business Ethics, Ethical Decision Making & Cases, Seventh Edition. Boston, MA: Prentice Hall. ISBN (10 digits) – 0-618-74934-9.*
- *Manuel G. Valasquez, Business Ethics – Concepts and Cases, Pearson Education, 2002.*
- *John R. Boatright., & Bibhu Prasan Patra., Ethics and conduct of Business, sixth edition, Pearson, 2011.*
- *Parthasarathy S, Rangarajan P, Concepts and realities in Business Ethics, Sadagopan Publishers, 2003.*
- *Bhatia SK, Business ethics and managerial values, Deep and Deep Publications, 2001.*



- *Banerjee, R P., Ethics in business management, concepts and cases, Himalaya Publishing House, 2001.*

## **P517 MC 304: BUSINESS VALUATION**

### **COURSE OBJECTIVES:**

The students will be able to

1. Relate the approaches of business valuation with the principles of business valuation.
2. Compare and contrast the implications between Asset – based approach and Earnings/Dividend based valuation.
3. Differentiate the implications of Free flow valuation from Adjusted book value approach.
4. Justify the usage of market multiple method and multiple valuation method for shareholders value analysis.
5. Examine the applicability and implications of live case studies of valuation models on Merger and Acquisition.

### **Module 1:**

**Conceptual framework for valuation** - Meaning of value, valuation and business valuation, principles of valuation, purpose of business valuation, different approaches to business valuation, stake holders of valuation, key areas of valuation: major areas of decision making where valuation plays a key role. Principles of valuation – Principle of substitution, Principle of alternative, Principle of time value of money, Principle of expectation, Principle of risk and return, reasonableness and reconciliation of value. Valuation bias -Process to minimize valuation bias. Uncertainties to business valuation.

### **Module 2:**

**Approaches to valuation I** - Asset based approach- need, book value, net realizable value, replacement cost, Limitations of

asset based valuation Earnings/Dividend based valuation – No Growth in dividends, Constant growth in dividends, stepped up growth.

### **Module 3:**

**Approaches to valuation II** - Free cash flow valuation – Estimation of free cash flows, weighted average cost of capital, free cash flow and WACC. Equity cash flows (FCFE) – Concept and computation Adjusted Book Value Approach, Direct Comparison Approach, Discounted Cash Flow (DCF) - Developing an excel based worksheet for DCF computation,

### **Module 4:**

**Market multiple method** – selection of comparables, EBIDTA and Turnover multiple Contemporary approaches to valuation– Shareholder value analysis, traditional measures of EPS, ROI, EBIT, ROCE ETC. Usage of multiple valuation methods, typical averages/ ratios assigned to each valuation method.

### **Module 5:**

Contemporary Case studies – Indian and International – Application of ‘valuation’ in the context of merger of Vodafone with Idea Cellular Ltd, Valuation model followed for the acquisition of Watsapp by Face book or similar cases.

### **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Relate the approaches of business valuation with the principles of business valuation.
2. Compare and contrast the implications between Asset – based approach and Earnings/Dividend based valuation.
3. Differentiate the implications of Free flow valuation from Adjusted book value approach.

4. Justify the usage of market multiple method and multiple valuation method for shareholders value analysis.
5. Examine the applicability and implications of live case studies of valuation models on Merger and Acquisition.

**Books for Reference:**

- *Allen: An Introduction to Strategic Financial Management, Kogam Page.*
- *Coplaned T (et al): Valuation Measuring & Managers – The Values of Companies, John Wiley.*
- *Fred Weston & E.F. Brigham: Managerial Finance, Dryden Press.*
- *Jakhotia G.P. :Strategic Financial Manageent, Vikas Publishing House.*
- *Mathew P.K.: Corporate restructuring an Indian, Perspective Macmillan*
- *Sndarsanam P.S.: The Essence of Mergers & Acquisitions, Prentice Hall of India*
- *Ashwath Damodaran: Damodaran on valuations, Wiley Eastern Publication*
- *SridarStrategic Financial Management, Shroff Publication*
- *Bala & PO attabhiram Strategic Financial Management, Snowbite publication*

## **P517 MC 305: MERGERS AND ACQUISITIONS**

### **COURSE OBJECTIVES:**

The students will be able to

1. Justify synergy and value creation in mergers and acquisition.
2. Compare and contrast the implications of each type and form of mergers and acquisition.
3. Evaluate the strategic process involved in mergers and acquisition within the legal framework of merger and acquisition.
4. Examine the applicability and implications of LBOs, MBOs, MLPs and ESOPs.
5. Choose appropriate valuation method that commensurate takeover bid.
6. Devise a plan for Post-Merger Integration model in accordance with the five governing rules of integration process.

### **Module 1: Overview**

**Introduction to Merger and Acquisition:** Meaning of mergers and acquisitions (M & A), motives behind M & A, advantages and disadvantages of M & A, Steps for a successful merger.

**Strategic Evaluation of M & A Opportunities-** selection approaches and criteria, modalities of fixing the acquisition price, key steps in the strategic planning of a merger, feasibility analysis in respect of cash and stock deals, describes fair value: institutional criteria and special features of acquisition of sick companies.

**Synergy and Value Creation in Mergers** - synergy and its different types, role of industry life cycle, value creation in synergy, theoretical factors that would affect M & A activity.

## **Module 2:**

**Types and Forms of M&A** - Share purchases, mergers, demerger, slump sale, itemized sale, comparison between each of the options, including advantages and disadvantages.

Acquisition of listed company shares – Takeover code, its applicability, exemptions from the Takeover code.

## **Module 3:**

**Strategizing and Structuring M & A Activity-** Merger process, approval requirements and procedural compliances covering various authorities including NCLT, competition commission, SEBY, FIPB (as applicable).

**Legal and Regulatory Framework of M & A** -Provisions of the Companies Act, 1956, 2013 relating to M & A, buyback of shares, provisions of SEBI act, 1992 and 1997, provisions relevant to M & A activity in the Income Tax Act, and Foreign Exchange Management Act.

## **Module 4:**

**LBOs, MBOs, MLPs and ESOPs** - meaning of LBO, MBO, MLP , ESOP, governance and mode of purchase in LBO, key motives behind an MBO, structure of MBO, types of MLP and ESOP, regulations that govern ESOPs.

Stamp duty on forms of M & A and planning opportunities.

## **Module 5:**

**Takeover Defenses** - types of takeovers, techniques of bidding for a takeover, defenses against takeover bids, regulations and amendments, and guidelines for takeovers.

**Valuation** – Introduction to valuation and valuation approaches.

## **Module 6:**

**Prominent cases of M& A** including cross border M& A – examples of M& A in the Indian and international contexts.

**Post-Merger Integration** - integration planning, factors in post- merger integration model, post-merger integration model, strategic interdependence and autonomy, political and cultural aspects in integration, cultural profiling and assessment of cultural compatibility, HRM issues, and problems in integration and five rules of integration process.

### **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Justify synergy and value creation in mergers and acquisition.
2. Compare and contrast the implications of each type and form of mergers and acquisition.
3. Evaluate the strategic process involved in mergers and acquisition within the legal framework of merger and acquisition.
4. Examine the applicability and implications of LBOs, MBOs, MLPs and ESOPs.
5. Choose appropriate valuation method that commensurate takeover bid.
6. Devise a plan for Post-Merger Integration model in accordance with the five governing rules of integration process

### **Books for Reference:**

- *Takeovers, Restructuring and Corporate Governance: J FRED WESTON, KWANG SW CHUNG & JUAN A SIU – Prentice Hall publication.*
- *Mergers & Acquisitions: J FRED ESTON & SAMUEL C WEAVER Tata McGraw Hill Publication*
- *Value Creation From Mergers & Acquisitions: SUDI SUDARSANAM Pearson Education*
- *Corporate Finance – Theory & Practice – ASHWATH DAMODARAN John Wiley & Sons.*

- *Corporate Amalgamations & Takeovers – Concept, Practice & Procedure – J C VERMA, SANJEEV KUMAR – Bharat Law Publication*
- *RavinderVadapalli — M & A and business valuation*



## **P117 FA 301: PROJECT APPRAISAL & FINANCE**

### **COURSE OBJECTIVES:**

Students should be able to

1. Investigate into each project idea in the context of feasibility of study.
2. Justify the viability of the project by using Situation Analysis, Demand Forecasting and Financial Projections.
3. Examine the criteria of selection of a project by using the qualitative and quantitative criteria.
4. Evaluate the financing options in terms of targeted overall cost of capital.
5. Illustrate the project planning and control by using PERT and CPM

### **Module 1:**

**Overview** - Capital Investments, Phases of Capital Budgeting, Levels of Decision Making, Facets of Project Analysis, Feasibility Study Capital Allocation, Strategic Planning and Capital Budgeting, Generation of Ideas, Porter Model, Scouting for Project Ideas, Preliminary Screening, Project Rating Index, Sources of Positive Net Present Value.

### **Module 2:**

**Analysis** - Situational Analysis, Collection of Secondary Information, Market Survey, Demand Forecasting, Market Planning, Technical Analysis, Manufacturing Process / Technology, Product Mix, Plant Capacity, Location and Site, Machineries and Equipment, Structures and Civil works, Environmental Aspects, Project Charts and Layouts, Schedule of Project Implementation, Need for Considering Alternatives, Financial Estimates and Projections.

### **Module 3:**

**Project Selection** - Survey of Time Value of Money, Survey of Investment Criteria, Project Cash Flows, Cash Flow Estimations, Survey of Cost of Capital & Capital Budgeting Techniques, Risk Analysis of Single Investments, Advanced Techniques, Risk Analysis, Firm Risk & Market Risk, Portfolio Related Risk Measures, Portfolio Theory and Capital Budgeting, CAPM and capital Budgeting, Choice Between Mutually Exclusive Projects of Unequal Life, Inflation and Capital Budgeting, Social Cost Benefit Analysis (SCBA – Basics) Judgmental, Behavioral, Strategic and Organizational Considerations.

### **Module 4:**

**Financing of Projects** - Capital Structure, Debt-Equity Mix, Estimate of fixed capital investment, Working capital investment.

**Financial Projections** - Background, assumptions, cost of projects/ means of financing projected profit and loss account, projected balance sheet, projected cash flow, loan servicing capability - interest coverage ratio, debt service coverage ratio, long term debt services coverage ratio.

### **Module 5:**

**Project Feasibility Analysis** - Background, NPV, project/cash flow, discount rate, taxation, IRR, XIRR, MIRR, project IRR and equity IRR, payback period, discounted payback period, economic IRR, sensitivity analysis

### **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Investigate into each project idea in the context of feasibility of study.
2. Justify the viability of the project by using Situation

Analysis, Demand Forecasting and Financial Projections.

3. Examine the criteria of selection of a project by using the qualitative and quantitative criteria.
4. Evaluate the financing options in terms of targeted overall cost of capital.
5. Illustrate the project planning and control by using PERT and CPM

**Books for Reference:**

- *Prasanna Chandra, Dr: Projects Planning, Analysis, Financing, Implementation & Review, Tata McGraw Hill.*
- *Narendra Singh: Project Management.*
- *Jach R. & Meredith Samuel J: Project Management.*
- *Vasanth Desai: Project Management, Himalaya Publishing House.*

Case studies OLA, UBER etc.

## **P521 SB 302: FINANCIAL MODELING:**

### **COURSE OBJECTIVES:**

The students will be able to

1. Explain the meaning and purpose for which Financial Modeling is built and the use of basic and advanced features of excel in the context of financial modeling applications
2. Apply Advanced Excel functions to present behaviour of sensitivities to the projected financial metrics of a firm
3. Develop a Financial Modeling for forecasting of Financial Statements with Analysis and interpretation of Financial statements by using excel
4. Construct a Financial Modeling for Project and francize after identifying the Revenue Drivers and Cost Drivers of those Business models
5. Develop a Financial Modeling for equity valuation by using Discounted cash Flow (DCF) Model.
6. Apply advanced Financial Modeling technique forecasting of three financial Statements with linking necessary schedules.

### **Module 1:**

**Financial Modeling – concepts and application** - Meaning of Financial modeling, reasons for using Excel for financial modeling, steps for building a financial model, who builds financial models, hallmarks of a good financial model, Objective of building financial modeling, types of financial models. Introduction to Understanding the Basic Features of Excel Introduction to Excel, Understanding Advanced Features of Excel. Sum function, Sumif function, Sumifs function, Count function, Countblank, Counta, Countif, Countifs, Cell Referencing,

Absolute Cell Referencing, Relative Cell Referencing, Mixed Cell referencing, Match function, Index function, PMT, PV, FV, If and AND functions.

## **Module 2:**

**Advanced Excel Functions** - What if analysis, Sensitivity Analysis, One way Data Table, Two Way Data Table, Goal Seek function, Scenario manager and Solver functions, Simulation using Excel Generating Random Numbers that follow a particular distribution-Simulation Building Models in Finance using Simulation.

## **Module 3:**

Financial Statement Analysis and Forecasting of Financial Statement - Preparing comparative financial statement, Common - sized financial statement, Trend Analysis, Ratio Analysis, Du Pont Analysis using Excel Spreadsheet Model. Venture capital financing eligibility – Case study, Forecasting of financial Statements - Case Study

## **Module 4:**

**Financial Modeling for Project and Francize** - Financial Modeling for Project Appraisal, Identify the Revenue Drivers and Cost Drivers of Project Business model and Francize Business model, Use of Functions like Payback Period, Discounted Payback Period, Net Present Value (NPV) and Internal Rate of Return (IRR). Francize - Financial Modeling - Case study

## **Module 5:**

**Financial modeling for company valuation** - Discounted cash Flow (DCF), DCF in the valuation of company, weighted average cost of capital (WACC) , terminal value, Enterprise value and equity value, Discounted Cash Flow – Financial Modeling -Case study.

## **Module 6:**

**Advanced Financial Models** - Designing Advanced Financial Models, Stock turnover ratio, Debtor turnover ratio, creditors turnover ratio, working capital schedule, Property and Plant equipment schedule, Debt schedule, Forecasting of three financial statements (Income statement, balance sheet and cash flow statement) linking with schedules – Case Study

## **BOOKS FOR REFERENCE:**

1. MICHAEL REES (2018), 'Principles of Financial modeling' Wiley
2. MICHAEL SAMONAS (2015) 'Financial forecasting, Analysis and Modelling' Wiley
3. Simon Benninga (2014) 'Financial Modeling' MIT press
4. Jordan Goldneior. Advanced Excel Essentials.
5. John walkenbach. Excel 2013 Bible.
6. Gupta Vijay (2002), Statistical Analysis with Excel, VJ Books Inc., Canada
7. Winston L. Wayne (2014), 'Microsoft Excel 2013: Data Analysis and Business Modeling', Microsoft Press, U.S.A.
8. Financial Analysis and Modeling Using Excel and VBA, ChandanSengupta, Wiley
9. Taxmann's Financial Management using Excel Spreadsheet, Ruzbeh J. Bodhanwala
- 10.

## **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Explain the meaning and purpose for which Financial Modeling is built and the use of basic and advanced features of excel in the context of financial modeling applications
2. Apply Advanced Excel functions to present behaviour of sensitivities to the projected financial metrics of a firm
3. Develop a Financial Modeling for forecasting of Financial Statements with Analysis and interpretation of Financial statements by using excel
4. Construct a Financial Modeling for Project and franchise after identifying the Revenue Drivers and Cost Drivers of those Business models
5. Develop a Financial Modeling for equity valuation by using Discounted cash Flow (DCF) Model.
6. Apply advanced Financial Modeling technique forecasting of three financial Statements with linking necessary schedules.

## **P521 ECO 301: ECONOMETRICS**

### **COURSE OBJECTIVES:**

The students will be able to:

1. Derive an ordinary least squares (OLS) estimator for a simple regression model proving that it is unbiased, BLUE, and consistent
2. Estimate an ordinary least squares (OLS) for a Multi - variate regression model proving that it is unbiased, BLUE, and consistent
3. Examine the implications of Heteroscedasticity and Tests for Homoscedasticity and its Consequences for OLS
4. Justify the implications of Autocorrelation and Multicollinearity and its Consequences for OLS
5. Use panel Data Method for Pooled OLS in the context of Panel data Problems with panel data and analyze the role of random effects and fixed effects estimators.

### **Module1:**

Introduction to Econometrics – Methodology of Econometric Research. Correlation theory. Causal Relationships. Experiments and Quasi- experiments. Identification and Statistical Inference. The Selection Problem. Cross Section and Longitudinal Data.

The Simple Regression Model – Assumptions of linear stochastic regression model, Derivation of OLS estimates. Mechanics and Properties. Statistical tests of first order significance of least squares estimates

### **Module 2:**



Multi-variate Regression Analysis – Model with two explanatory variables. General linear regression model. Partial correlation coefficients. Mechanics and interpretation of OLS. Inference in the Multi-variate Regression Model - Sampling distributions of the OLS estimators. Analysis of variance-Testing Hypothesis. Confidence Intervals. Asymptotic Properties of OLS - Consistency, asymptotic normality and asymptotic efficiency.

### **Module 3:**

Heteroscedasticity - Consequences for OLS. - Heteroscedasticity- meaning, assumptions. Tests for Homoscedasticity: Spearman's Rank Correlation test, Breusch Pagan and White tests. WLS and FGLS. Instrumental Variables and 2SLS - Instruments as a solution to endogeneity. Reduced form equations.

### **Module 4:**

Autocorrelation and Multicollinearity - Meaning of the assumption of serial interdependence, first order auto regression, sources of autocorrelation, tests for autocorrelation, and consequences of autocorrelation.

Multicollinearity: meaning of multicollinearity, consequences of multicollinearity, tests for detecting multicollinearity, solutions for the incidence of multicollinearity

### **Module 5:**

Introduction to Panel Data Methods –Panel data Problems with panel data: attrition. Pooled OLS, random effects and fixed effects estimators.

## **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Derive an ordinary least squares (OLS) estimator for a simple regression model proving that it is unbiased, BLUE, and consistent
2. Estimate an ordinary least squares (OLS) for a Multi – variate regression model proving that it is unbiased, BLUE, and consistent
3. Examine the implications of Heteroscedasticity and Tests for Homoscedasticity and its Consequences for OLS
4. Justify the implications of Autocorrelation and Multicollinearity and its Consequences for OLS
5. Use panel Data Method for Pooled OLS in the context of Panel data Problems with panel data and analyze the role of random effects and fixed effects estimators.

### **BOOKS FOR REFERENCE:**

1. Wooldridge J. M. Introductory Econometrics: A Modern Approach. South-Western College Publishing, 2000. (WOO)
2. Angrist, J. and Pischke, J. Mostly Harmless Econometrics: An Empiricist's Companion. Princeton Univ Press, 2009. (AP) Additional Readings
3. Johnston J. and DiNardo, J. Econometric Methods. 4th Ed. McGraw-Hill 1997. (JD) 2. Wooldridge
4. J. M. Econometric Analysis of Cross Section and Panel Data. The MIT Press, 2002.
5. Cameron, C.A. and Trivedi, P.K. Microeconometrics: methods and applications. Cambridge U.P., 2005. (CT)
6. Cameron, C.A. and Trivedi, P.K. Microeconometrics Using STATA. STATA Press, 2009.
7. Ruud P.A. An Introduction to Classical Econometric Theory. Oxford U.P., 2000. 2 Syllabus: Econometrics M.Sc. ICEF
8. Greene, W.H. Econometric Analysis. 6th Ed. Prentice-Hall, 2008.

9. Morgan, S.L. and Winship, C. Counterfactuals and Causal Inference: Methods and Principles for Social Research. Cambridge U.P., 2007.
10. Kennedy, P. A Guide to Econometrics. The MIT Press, 2003.
11. A.Koutsoyiannis: Theory of Econometrics. Palgrave. 2004

## **P115 MCE 301: MANAGERIAL COMMUNICATION - II**

### **COURSE OBJECTIVES:**

Students should be able to

1. Explain the role of cross cultural communication in business in an intercultural business set up.
2. Justify the use of appropriate oral communication in the context of a small group communication.
3. Compare and contrast different modes of a business correspondence in writing.
4. Explain the role business etiquette and protocol as effective form of a managerial communication.

### **Module 1:**

**Cross Cultural Communication In Business** - Focus on the importance of culture in our everyday lives, and the ways in which culture interrelates with and effects communication processes. Understanding the concept of culture, Overcoming ethnocentrism, Recognizing cultural signs and improving Intercultural communication skills.

### **Module 2:**

**Effective Oral Communication: (Small Group Communication)** - Small Group Interaction, Impromptu and Prepared Speeches, Tele conferencing, Video conferencing, Interview Skills, Group Discussions.

### **Module 3:**

**Business Writing And Creative Expression: (Work place Messages & Employment Messages)** - Email writing (Netiquette), Memos, Minutes of a Meeting, Curriculum Vitae writing, Application Letters, Job-Inquiry Letters.

### **Module 4:**

**Business etiquette & protocol** - Understand how business

etiquette has evolved from its earliest days to today's modern concepts and why actions speak louder than words. Etiquette awareness : Cubicle etiquette, Dress etiquette, Business Etiquette, Handshake Etiquette, Guest Etiquette, Party Etiquette, Business dining Etiquette, Gift giving and International business etiquette.

### **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Explain the role of cross cultural communication in business in an intercultural business set up.
2. Justify the use of appropriate oral communication in the context of a small group communication.
3. Compare and contrast different modes of a business correspondence in writing.
4. Explain the role of business etiquette and protocol as effective form of managerial communication.

### **METHODOLOGY**

Role-Plays, Cases, Lectures, Individual & Group Exercises, Films, Presentations by Students and Videos.

### **EVALUATION**

Quiz, Assignments & Presentation - 50%

End Term Exam 50%

Books for Reference:

- *Eats, Shoots & Leaves (The Zero Tolerance Approach to Punctuation)*,
- *Lynne Truss, Profile Books, Indian Edition: Viva Books, 2007.*
- *The Power of Now, 1st Edition, Eckhart Tolle, Hodder Mobius, 2001*
- *I'm O.K., You're O.K., 1st Edition reprint, Dr. Thomas A.*

*Harris, Harper Collins, 2004.*

- *High School English Grammar & Composition, Revised Edition, Wren & Martin, edited by: Prof. Dr. N.D.V.Prasad Rao, S. Chand & Co. Ltd., 2006.*
- *Advanced English Grammar, Revised Edition, Martin Hewings, Cambridge University Press, 2006.*
- *Common Errors in English, 1st Edition, Prof.S.Jagadisan & Dr. N. Murugaian, Neelkamal Publications, 2002.*
- *Concise Oxford Dictionary, 11th Edition, Edited by Catherine Soanes & Angus Stevenson, Oxford University Press, 2004.*
- *Roget's Pocket Thesaurus, 10th Edition, Houghton Mifflin Harcourt, 2008*

## **P515 SB 401: SYSTEMS, APPLICATIONS, PRODUCTS – FINANCIAL ACCOUNTING & CONTROLLING (FICO)**

### **COURSE OBJECTIVES:**

The students should be able to:

1. Describe the role of R/3 in FICO of Business firm.
2. Examine the implication and Integration of Financial Accounting with each components of Material Management of Business Firm.
3. Analyse the implication and integration of Accounting with sales and distribution.
4. Devise a plan for Controlling in alignment with Cost centre reports.
5. Conduct the procedure for creating settlement of real time internal orders.
6. Devise a cost estimate with and without Quantity Structure.

### **Module 1:**

**Introduction to R/3** - Financial Accounting Basic Settings, General Ledger Accounting, Accounts Payable, Accounts Receivable, Asset Accounting, New General Ledger Accounting Reports, Integration, Architecture, SAP service, landscape.

### **Module 2:**

**Integration of financial accounting with materials management** Organizational units in materials management i.e. plant, storage location and purchase organization, Assignment of organizational units, tolerance groups for purchase orders, tolerance groups for goods receipt, tolerance groups for invoice verification, vendor specific tolerances, display and change of material master records, Creation of plant parameters, Maintenance of posting periods for materials management, Maintenance of parameters for invoice

verification, Maintenance of plant parameters for inventory management and physical inventory, Attributes for material types, Assignment of GL accounts for material transactions in financial accounting (Integration of MM with FI), Creation of purchase order, posting of goods receipt, invoice verification and Goods issue for production.

### **Module 3:**

**Integration of financial accounting with sales and distribution-** Sales Organization, distribution channels, divisions, assignment among various organizational units in SD, partner functions, shipping loading points, pricing procedures, determining the shipping points, determining the pricing procedures, maintenance of SD condition types, maintenance of condition records, assignment of GL accounts for sales transactions( integration of FI with SD), creation of sales order, initialization of stock, posting the delivery of goods, creating the sales invoice.

### **Module 4:**

**Controlling - Basic settings for controlling** - Controlling Area, Number ranges for Controlling Area, Maintain Planning Versions Cost Center Accounting - Cost Center Standard Hierarchy, Creation of Cost Centers and cost center groups, display cost center master records, change cost center master records, posting to cost centers, reposting of co line items, Repost of Costs, Planning for cost centers. Overhead Calculation, Creation of secondary cost element master records, Execution of Distribution Cycle, Creation and execution of assessment cycles, Cost center reports

### **Module 5:**

**Internal Orders** - Order types, Creation of internal order master records, display internal order master records, change internal order master records, postings to internal orders, planning for internal orders, reposting co line items for internal orders, Repost of costs for internal orders, Report of Variance analysis for internal orders, Posting of business transaction to real orders, Allocation structures, settlement profiles, planning profiles, Settlement of real internal orders, Budgeting and availability control, Maintain number ranges for budgeting, tolerances for availability control, Specification of



exempt cost elements from availability control, Maintenance of budget manager.

## **Module 6:**

**Product cost planning** – Bill of Materials, Activity type master records, activity hours, activity type price calculation, creation of work center master records, creation of routings, cost sheet( over head structures), assignment of cost sheet to costing variant, creation of cost estimate with quantity structure, marking.

## **COURSE OUTCOMES:**

After completion of the course the students will be able to

1. Describe the role of R/3 in FICO of Business firm.
2. Examine the implication and Integration of Financial Accounting with each components of Material Management of Business Firm.
3. Analyse the implication and integration of accounting with sales and distribution.
4. Devise a plan for Controlling in alignment with Cost centre reports.
5. Conduct the procedure for creating settlement of real time Internal orders.
6. Devise a cost estimate with and without Quantity Structure.

## **Books for Reference:**

- *SAP(R) ERP Financials and FICO Handbook (The Jones and Bartlett Publishers Sap Book Series) by S. N. Padhi (Author).*
- *SAP Fico Covers Sap Ecc 6.0 Black Book (English) (Paperback) Author: Bhushan Jairamdas Mamtani.*