

UNIVERSITY OF PUNE
POST GRADUATE DIPLOMA IN FINANCIAL SERVICES
(Formerly Diploma in Financial Services)

I. Introduction

The name of the course shall be,

“Post Graduate Diploma in Financial Services (PGDFS)”

Formerly Diploma in Financial Services (D.F.S.)

II. The objectives of new curriculum of PGDFS Course

1. The Basic objective of PGDFS Programme is to diversify into a sunrise industry and be in tune with the Liberalization Programme of the Government of India.
2. To provide young graduates an opportunity to gain insights into new areas through formal University education and training.
3. To professionalise University learning process and augment the social relevance of university Programmes.
4. To provide participants with an opportunity to develop knowledge of basic concepts, insights into quality financial services and sharpen the decision making process.

III. Eligibility for Admission

Bachelors Degree in any faculty of any statutory University.

OR

Diploma awarded by Board of Technical Education of any State /Central Government (Post SSC 3 years Diploma or Post HSC 2 years Diploma) with 1 year post diploma experience.

IV. Curriculum

1. The course will be of one-year duration spread over two semesters.
2. The total numbers of papers will be 14.
3. Each full paper shall be taught in 30 sessions of 60 minutes each and each half paper will be taught in 15 sessions of 60 minutes each.
4. The outline of the structure PGDFS course is as per Annexure-I.
5. Detailed Syllabus of PGDFS course is as per Annexure-II.
6. Ordinarily not more than 60 students will be admitted in the class.

V. Scheme of Examination

1. Assessment of External Papers

The final total assessment of the candidates shall be made in terms of an internal assessment for 30 marks and an external assessment for 70 marks for each course.

(a) External assessment:

The external assessment for 70 marks shall be based on the external written examination to be held at the end of each semester for each course.

(b) Internal assessment of External Papers:

Internal assessment will be based on the written assignments and class test, presentation of paper etc.

(c) Re-assessment of Internal Marks:

In case of those students who will secure less marks than passing percentage of marks in internal, concerned Institute must administer a separate internal test of 30 marks, the result of which may be conveyed to the University as the Revised Internal marks.

In case the result of the internal test as above, results in lower marks than the original, original figure of the marks should be prevailed. In short, the rule is higher of the two figures of the marks, shall be taken into consideration.

2. Assessment of Internal Papers:

Paper No. 2 (a) & (b), Paper No. 5(a) & (b), Paper No. 8, Paper No 13 and Paper No.14 will carry 100 marks. For these paper there will be only internal evaluation for 100 marks. These marks will be communicated to the University along with other internal marks.

VI. Project Work

Each candidate shall undertake a yearlong project, which would commence at the mid point of First Semester. Assessment of the same will be made at the end of the year.

He shall write a Project Report on a topic to be selected under the guidance of an internal teacher.

It is only on the basis of a certificate of the teacher concerned that the Project Report has been satisfactorily completed, that the candidate would be allowed to appear at second semester (year end) examination. The project work will carry 30 marks and on the basis of the report submitted by the student, there will be a viva at the end of the second year carrying 70 marks conducted by a panel consisting of two members one of which should be internal and other should be external appointed by the Institute.

The project Report is to be prepared by the student and two typed copies to be submitted to the Principal / Director by 31st January during that academic year. The report will be duly assessed by the internal teacher of the subject for 30 marks.

VII. Backlog

The PGDFS examination will be held in two semesters. The candidate will be allowed to proceed from Semester one to second Semester irrespective of their passing the examination of the previous semesters.

VIII. Standard of Passing

Every candidate must secure 40% marks in each paper for internal as well as external examination.

IX. Teaching Faculty

Besides full time faculty members, Part time, adjunct, and visiting faculty members should be invited to conduct the professional courses. Faculty should normally satisfy one of the following criteria:

- (a) Master's degree of recognized University of a subject in question or Professional qualifications such as C.A., I. C.W.A., C.S. etc.
- (b) Master's Degree of recognized University in any faculty with at least two years professional experience related to given subject
- (c) Bachelor's Degree of a recognized University in any faculty or Diploma awarded by BTE with at least five years professional experience related to the given subject.

Annexure – I

ONE YEAR POST GRADUATE DIPLOMA IN FINANCIAL SERVICES (PGDFS)

Paper No	Title of the Paper	No. of Sessions	Marks	Examination
Semester – I				
101	Financial and Cost Accounting	30	100	External
102	(a) Statistics and Operations Research	15	50	Internal
	(b) EDP / MIS	15	50	Internal
103	Taxation (Direct and Indirect Taxes)	30	100	External
104	(a) Financial Management	15	50	External
	(b) Maths and Finance (Quantitative methods)	15	50	External
105	(a) Project Management	15	50	Internal
	(b) Sustainable Competitive Advantage	15	50	Internal
106	Financial Services – I	30	100	External
107	Financial Intuitions	30	100	External
Semester – II				
201	Economic Legislation	30	100	Internal
202	Financial Services – II			
	(a) Portfolio Management	12	40	External
	(b) Investment Analysis	12	40	External
	(c) Marketing	06	20	External
203	International Finance	30	100	External
204	Company law, SEBI and FEMA	30	100	External
205	Financial Markets	30	100	External
206	Special Studies in Financial Services (Seminar Course) *	30	100	Internal
207	Year long project		100	Internal
Total			1400	

* To commence around the Mid-Point in First Semester. Assessment at the end of the year. Guidance will be required to be provided through a guiding teacher.

DETAILED SYLLABUS OF POST GRADUATE DIPLOMA IN FINANCIAL SERVICES (PGDFS)

Semester - I

Paper No.101

Financial And Cost Accounting

Level of Knowledge: Basic

Objectives: 1. To acquaint students about the basics of financial and cost accounting

2. To introduce the concepts of decision making tools in cost accounting

1. Concepts and Conventions of financial accounting – journal – ledger – subsidiary books – trial balance – final accounts of proprietary and partnership organizations.
2. Final accounts of limited companies – Schedules to final accounts – Disclosures in financial statements.
3. Concepts of Costs and Costing – Cost Accountancy – Classification of costs – Installation of costing system – cost sheet preparation – Cost accounting in service sector.
4. Overview of Cost Accounting techniques – Budgetary control, standard costing and Marginal Costing.
5. Introduction to International Accounting Standards.

Suggested Books.

1. Book-Keeping and Accountancy: M.G. Patkar.
2. Advanced Accountancy: S.P. Jain and Narang.
3. Advanced Accountancy: S.N. Maheshwari.
4. Advanced Cost Accounting: N.K. Prasad.
5. Advanced Cost and Management Accountancy: Saksena and Vasishtha.
6. Wheldon's Cost Accounting: Wheldon.

Paper No.102

2. (A) Statistics and Operations Research

Level of Knowledge – Working Knowledge.

Objectives: 1. To make the students aware about the statistical techniques like mean, mode and median as well as measures of dispersion.

2. To acquaint students about the MIS

1. Basic Statistical Concepts like mean, median, mode, and their computation.
2. Measures of dispersion – skewness
3. Elementary Probability theory
 - a) Relative Frequency Approach.
 - b) Axiomatic Approach.
 - c) Subjective Probability.
 - d) Marginal and conditional probability.
4. Sampling Distribution – Simple co-relation and regression.
5. Introduction to Operations Research – Linear programming – Simplex Algorithm.
6. Introduction to PERT and CPM

(B) EDP / MIS -Internal

1. Introduction to computers
Block diagram of digital computer – their functions Memory types.
I/O devices, Secondary storage devices.
History of computer . Computer Generations
2. PC Applications

Introduction to MS- Word

Features of MS – Word like
Open and Create a document
Save a Document
Alignment of document
Mail merge Facility
Spell check and grammar check
Printing of a document.

Introduction to MS-Excel

Features of MS-Excel like
Open and Create a worksheet
Create and Print a graphs
using pivot table
Save & Exit Worksheet
Using Multiple Worksheets

Using Formulas & Functions

Introduction to Tally package

Using Tally package for Financial Accounting.

Suggested Books.

1. Business Statistics : S.Saha.
2. Statistics : Sancheti, Kapoor.
3. Operations Research and Statistical Analysis : S.D. Sharma.
4. PC Software for windows made simple : R.K. Taxali.
5. Computer Fundamentals : P.K. Sinha.

Paper No.103

Taxation (Direct & Indirect Taxes)

Objectives:

- 1. To enable the students to understand the basic concepts of income tax and to acquaint them to computation of gross total income**
- 2. To impart the basic knowledge of indirect taxation**

Level of Knowledge: Advanced knowledge of Income – tax provisions, working Knowledge of indirect taxes.

1. Indian Income Tax Act – Definition – Income - Assessee – Assessment Year – Capital Receipts & Revenue Receipts – Capital expenditure and Revenue expenditure – Agricultural income – Residential Status.
2. Computation of taxable income under,
 - i) Salaries
 - ii) House Properties.
 - iii) Business Income.
 - iv) Capital Gains.
 - v) Other Sources.
3. Deductions from Gross Total Income [Chapter VI A]
4. Central Excise Act – Taxable event – Valuation of Goods – CENVAT – Introduction to Service Tax. And MVAT [Maharashtra Value Added Tax]

Suggested Books.

1. Law and Practice of Income Tax – Dinkar Pagare.
2. Students Guide to Income Tax – Dr. Vinod Singhania.
3. Indirect Taxes – Mr. V.S. Datey.
4. Bare Acts of Income – tax and Central Excise.

Note:- The questions on income tax will be based on the assessment year in force at the time of assessment year in force at the time of examination. However for backlog paper, a questions will be set on the basis of the same assessment year which was in force at the time of regular examination.

Paper No.104

4(A) Financial Management

Level of Knowledge: Advanced

Objectives: 1. To introduce basic concepts and advanced knowledge of financial management

2. To acquaint students with various tools and techniques like ratio analysis and funds flow and cash flow statements as well as mathematical techniques used in financial management

1. Objectives of Financial Management – Profit maximization Vs. Wealth maximization – Environment of Financial Management.
2. Analysis of Financial Statements – Common size financial statements – Ratio Analysis – Funds flow and cash flow statement.
3. Working Capital Management – estimates of working capital – Accounts Receivable management – cash management – inventory management.
4. Capital budgeting – techniques of evaluation of capital expenditure – capital budgeting under risk & uncertainty.
5. Capital structure planning – leverage – cost of capital – concept of optimum capital structure – Capital market instruments – Securitisation of Debt. – GDR/ADR issue.
6. Dividend policy – theories of dividend – bonus shares.

104(B) Quantitative Methods in Finance

1. Break-even analysis – Application of curvi- linear Break-even analysis – Cost Volume profit analysis under conditions of Uncertainty.
2. Risk and Return - measuring risk of investment in a single security – measuring risk of a portfolio investment – diversifiable and non-diversifiable risk – Capital Asset Pricing Model.
3. Discounting – Discrete Compounding and continuous compounding.
4. Valuation of bonds and shares – calculating yield to maturity.

Suggested Books.

1. Financial Management: M.Y. Khan, S.P. Jain.
2. Financial Management: Prasanna Chandra.
3. Financial Management: James C. Vam Horne.
4. Financial Management: Satish Inamdar.
5. Financial Management: N.M. Vechalekar.

Paper No.105

Project Management and Sustainable Competitive Advantage

Objectives: 1. To impart knowledge about various facets of project management
2. To make students aware about the various ways of gaining sustainable competitive advantage.

5(A) Project Management

Level of Knowledge : Advanced

1. Total Project Management-Concept, relationship with other function and other organizations, organizing for project management.
2. Project Identification-Scouting for project ideas and promoters, identification of investment opportunities, basis of governmental regulatory framework, various acts and laws affecting project identification.
3. Project Appraisal-Market Appraisal, Demand Estimation and Forecasting, Technical Appraisal-Raw materials-technology-product mix-plant capacity-distribution channels.
4. Project financing - Basic concepts of cost of project, profitability-Analysis, Means of Financing, raising capital, assessing tax burdens and using financial projections, Appraisal criteria used by lending institutions.
5. Risk Analysis of Project-measures of risk, use of subjective probabilities, mathematical analysis, sensitivity analysis, simulation analysis, and decision tree analysis.

105(B) Sustainable Competitive Advantage

1. Competition:
 - Concept
 - Factors
 - Benefits of competition.
2. Competitive advantage:
 - Concept
 - Factors
 - Techniques of Acquiring Competitive Advantage
 - Competitive Advantage and Corporate Performance.

3. Competitive Strategy:

- Definition
- Factors
- Evolution.

4. Sustainable competitive advantage:

- Concept
- Factors
- Techniques of Evaluation.

5. Sustainable competitive advantage and banking industry (development banks) in India.

6. Sustainable competitive advantage and financial service industry (non banking financial companies) in India.

7. Core competency and customers satisfaction.

Suggested Books

1. Competitive Advantage - Michel Porter.
2. Projects – Preparation, Appraisal, Budgeting and implementation – Prasanna Chandra
3. Project Management – Gopal Krishnan

Journal : Harvard Business Review.

Paper No.106

Financial Services - I

- Objectives: 1. To introduce the field of financial services**
2. To provide an in depth knowledge about various financial services

Level of knowledge: Advanced

Part A :

Leasing
Introduction
T ax, Legal and Accounting Aspects
Financial Evaluation: Lessor and Lessee Points of View
Qualitative Factors
Lease Structuring, Lease Agreement
Funding of Leases

Part B:

Merchant Banking
Managing of Public Equity / Debenture Issues
Mobilizing Fixed Deposits
Arranging Inter-corporate Loans
Raising term Finance and Loan Syndication.

Part C :

Other Financial Services
Hire Purchase and Installment System
Consumer Finance
Securatization
Credit Cards
Credit Rating in India and in Foreign Countries
Services of Registrars and Transfer Agents
Services of Custodians-Central Depository
Systems
Mutual Funds
Commercial Paper
Financial Journalism

Suggested Books

1. Corporate Finance – Principles and problems-P.V. Kukarni
2. Essentials of Business Finance – R.M. Srivastava
3. Financial Management – I. M. Pandey

Paper No.107

Financial Institutions

**Objectives: 1. To make students aware about various financial institutions
2. To understand various aspects like marketing in the context of financial institutions**

Knowledge level: Advanced

1. Concept of Development Banking as distinguished from Commercial Banking – Evolution of Development Banking and growth and structure of Development Banking Institution in India – Role of Development Banks in the achievement of national development objectives.
2. Detailed study of Development Banking Institutions Viz. IDBI, IFCI, ICICI, IRBI, NABARD, SIDBI, and EXIM Bank – Study to cover their objectives, operations, schemes of financing – investments policy – portfolio management and resource mobilization efforts.
3. Appraisal for term lending – project appraisal – Various aspects of project appraisal including social cost benefit analysis.
4. Application of marketing concept to Development Banking – product mix of development banking – Development of marketing strategy and organizing marketing function – need for & implementation of perspective planning for Development Banks.
5. Role of RBI, commercial banks and co-operative banks in the development of economy – Considerations governing lending to priority sectors such as agriculture, small scale industry, export etc. Credit planning & credit monitoring arrangements.
6. Guidelines for opening and operations of foreign banks in India.
7. Overview of Narsimhan committee Reports.

Suggested Books.

1. Corporation Finance: S.C. Kuchhal.
2. Corporation Finance: P.V. Kulkarni.
3. Corporate Finance: P.V. Kulkarni & S.P. Kulkarni.

Semester – II

Paper No.201

Economic Legislation

- 1. To acquaint students about the provisions of various relevant laws**
- 2. To impart knowledge about the application of the same.**

Level of knowledge : Adequate.

1. Indian Contract Act - Essentials of a valid Contract – Types of Contracts – Offer and Acceptance – free consent – consideration – Breach of Contract – Contingent Contracts – Quasi Contracts – Provisions regarding Agency.
2. Negotiable Instrument Act – Negotiable Instruments – Holder and Holder in due course – Endorsement and crossing - Dishonour of a negotiable instrument.
3. Overview of Banking (Regulations) Act and Securities Contract (Regulations) Act
4. Information Technology Act 2000 – Digital Signatures – Certifying Authority – Definitions.
5. Sale of Goods Act – Definitions – conditions and warranties – Caveat Emptor – Rules regarding delivery – unpaid seller's rights.

Suggested Books.

1. Mercantile Law : N.D. Kapoor.
2. Mercantile Law : Sen and Mitra.
3. Business Law : N. M. Vechalekar.
4. Relevant bare Acts.

Paper No202

Financial Services – II

Objectives: 1. To provide an in depth knowledge about the portfolio management, investment analysis and marketing of financial services
2. To acquaint students to various techniques of port folio management and investment analysis.

Level of Knowledge : Advanced

Portfolio Management and Investment Management

(A) Portfolio management

(theory of diversification):

Portfolio management in theory:

Risk and Return-Risk and Return for a Single Security-Risk and Return for a portfolio of Securities-Principles of Portfolio Construction Random Walk Theory and Stock Prices-The Capital Asset Pricing Model-Systematic and Unsystematic Risk-Efficient Diversification-Types of Market Efficiency, Price of Unsystematic Risk in Diversified Portfolio-Obtaining Beta Co-efficient and Alpha-A Final Perspective.- Capital Asset Pricing Model

Portfolio analysis :

Scope-Markovitz Theory-Efficient Frontier-Sharpe Ideal-Index, Traynor Index-Illustration.

Portfolio management-some practical aspects- Fundamental and Technical Analysis – introduction to Equity Research

Portfolio selection and international diversification:

Scope-types of Investors-Finding Cut-off Rate –Efficient Frontier and Portfolio Selection-Borrowing and Lending Factor and Efficient Frontier-International Diversification.

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(B)Investment analysis

Nature and scope of investment management:

What is Investment? Financial and Economic Meaning of Investment-Investment, Gambling and Speculation-Why investments are important-Features of an Investment Programme-Investment Management Framework-Historical Development of Investment Management.

Investment objectives and risks:

Objectives of Investment-Forms of Investment-Risks of Investment.

Evaluating return and risk :

What is return? Arithmetic Average Return versus Geometric Average Return-Expected rate of Return-Risk and the Risk-Return-Trade off-Measuring Risk-Types of Risk-Beta Coefficient.

Investment enrichment:

Suggestions and guidelines for effective Investment for a successful Investor-Steps to become a present investor for corporate securities-Measures for promoting healthy sustained development of the investment market-Suggestions for building an Optimal Portfolio for Basic Investment and Fixed Investments-Equity Investments-General Guidelines.

(C) Marketing

1. Concept of marketing in financial services sector – marketing mix- consumer behavior and market segmentation
2. Advertising and communication – medias of advertisements-Drafting of statutory advertisements for public issue of shares etc.

Suggested Books.

1. Portfolio Management- S.K. Barua, V Raghunathan J. R. Varma.

Paper No. 203

International Finance

Objectives: To understand the mechanics and application of International Financial Systems.

Level of knowledge : Advanced

Foreign Exchange Rates :

Theories of exchange rates : Purchasing power parity theory . Demand supply and elasticity in foreign exchange rate determination. Balance of Payments theory. Historical perspective on exchange rate, Gold Standard, Inter-war instability, Bretton Woods, fixed exchange rates, fluctuating exchange rates. Case for fixed or fluctuating exchange rates. The changing nature of world money. The rise of private world money. Eurocurrencies, Eurodollars, European Currency Unit, their mechanics and impact . International capital-flows and shocks. International debt problem-its origin, history and status. International liquidity and SDRs.

International Financial Institutions-International Monetary Fund, World Bank, International Finance Corporation. Washington D.C., Asian Development Bank.

The basics of currency trading. Foreign exchange dealers. Clearing, hedging, speculation in foreign exchange markets. Forward exchange rate, forward against spot exchange rate. Factors causing exchange rate fluctuations.

Balance of Payments (structure and Equilibrium):

Balance of Payments definition. Component of Balance of Payments, Current Account, Capital Account, Balance of Payments, Models, Basic balance. Disequilibrium in Balance of Payments. Measures to correct disequilibrium in Balance of Payments.

Foreign Exchange Markets : (Number of Sessions-4)

Operations of foreign exchange markets. Modes and mechanism of spot and forward exchange contracts., Exchange trading and position. Syndication , Swaps , Options , Futures Offshore banking. International Money, Capital and Foreign Exchange markets.

Mechanics of Foreign Exchange markets :

Contracts, Credits and Documentation. Sale and Purchase Contracts. Risks in international transactions, Incoterms, their importance and their applicability. Payments under trades contracts. Documentary Credits. Types of Credits. Important Credit Clauses. Procedure for establishing credits. Documentary in foreign trade. Financial, Commercial, transport, insurance and other documents. Arbitration and conciliation.

Introduction to GATT and WTO

India's Foreign Trade-Promotion and Control:

India's economy in global perspective. India's external debt. Export promotion strategy and policy. Export promotion measures. Commercial Policy. Non-Resident Investments and Accounts.

The Export-Import Bank of India-its functions, resources, organization, management and current operations. Export Credit Guarantee corporation (DCGC)-its function, policy, management and current operations.

Financing of foreign trade. Types of credits, guarantees, bid bonds etc. Mechanism of Operations.

Foreign exchange controls-Objectives, exchange management and controls in India FEMA and its important provisions. Import-Export Policy and procedures.

Suggested Book

1. Corporation Finance-Principles and Problems- P.V. Kulkarni
2. International Financial Management-Dr. P.C. Apte.

Paper No.204

Company Law, FEMA, SEBI

Objectives: 1. To make the students aware about the various provisions of Company Law

2. To introduce the FEMA and SEBI

Level of knowledge : Advanced

1. Company Law.

- i) Incorporation – Types of Companies – Memorandum and Articles of Association – Prospectus.
- ii) Share Capital - Types of shares – Alterations of share capital – Buy back of shares – Book building - Transfer of shares – Dividend – Bonus shares.- Buy Back of shares
- iii) Company Administration and Meetings – Board of Directors – Qualifications – Appointment of Directors – Powers and responsibilities of Directors Company Meeting.
- iv) Borrowing Powers – Accounts and Audit.
- v) FEMA – Definitions – Regulations concerning import and export – Acquisitions of sales of immovable properties.
- vi) SEBI – Objectives – Status – Powers – Guidelines issued by SEBI regarding disclosure and investor protection with reference to,
 - a) Pre-issue obligations
 - b) Post –issue obligations
 - c) Promoter’s contribution & lock in period.

Suggested Books.

1. Companies Act: Avtarsingh.
2. Elements of Company Law: N.D. Kapoor.
3. Companies Act with SEBI Guidelines – Taxman Publications.
4. Bare Act of, FEMA and SEBI.
5. Chartered Secretary, Journal of The Institute of Company Secretaries of India should be referred.

Paper No.205

Financial Markets

Objectives: 1 To acquaint students about the financial markets and the role of the same in financial system

Level of Knowledge : Advanced

1. The Indian Financial System : An Overview-Public Ownership of Financial Institutions – Investor protection participation in Corporate Management.
2. Reserve Bank of India and the Regulation of the money markets-Instruments of monetary control and their effectiveness.
3. Industrial Finance-Role of Investment Trusts-Unit Trust of India-LIC, GIC and Nationalized Banks-Natural Funds-Operations of these Institutions in the market-Advantages to small investors.
4. Development Banks-The role of these Institutions in mobilizing resources and in assisting industry and agriculture-a brief account of the contribution of each such Institution during the past decade.
5. Commercial Banking before and after Nationalization-Regulation of Commercial Banks-Lead Bank Scheme-Priority Sector lending-Lending Policies of Commercial Banks.
6. Securities Markets-Role of Stock Exchanges and the Regulation and Control-Listing Requirements-Underwriting of Issues. Merchant Bankers in the issue of shares and debentures-Derivatives Trading
7. Consumer Financing (including Credit Cards) and Housing Financing Agencies involved and progress achieved.
8. Financial Intermediation, Role of Intermediaries, Determinants of Interest Rate level (various premia)

Suggested Books

1. Corporate Finance-Principles and Problems -P.V. Kulkarni
2. Corporate Finance-Principles and Problems-S.C. Kuchhal.
3. Essentials of Business finance-R.M. Srivastava.

Paper No. 206

Special Studies In Financial Services

(SEMINAR COURSE)

The seminar Course will be based on Guest Lectures and Students Presentation on Papers prepared and submitted for assessment. It may also include Cases, Management Games, Role Play depending upon instructors discretion. It will be a 30 Session Course and fifty percent will be devoted for lectures on the latest in the State of the Art covering any aspect of Financial Services.

Paper No. 207

Year Long Project

The Year Long Project is a task to be fulfilled on a year long basis. Students will be assigned to a Guiding Teacher who will discuss various topics relevant for in depth study .In consultation with the students topics for study will be assigned. Periodic instructions between students/ guiding teacher should culminate into a Project which the student will have to submit for assessment.

