



# Khwaja Moinuddin Chishti Language University

## **POST GRADUATE DIPLOMA IN CAPITAL MARKET AND INVESTMENTS**

(PGDCMI)

*Ordinance*

(W.E.F. Academic Year 2021-22)

## **Department of Commerce**

## ***Faculty of Commerce***



Sitpur-Hardoi Bypass, IIM Road,  
Lucknow-226030



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## 1. Applicability:

The ordinance shall be applicable to one year (Two Semester), post graduate diploma programme at the Khwaja Moinuddin Chishti Language University w.e.f. Academic Session 2021-22

## 2. Definition of Key Terms:

- (i) **Academic Programme** means an entire course of study comprising its programme structure, course details, evaluation schemes etc. designed to be taught and evaluated in a teaching Department/Centre or jointly under more than one such Departments/Centres;
- (ii) **Credit** means the value assigned to a course which indicates the level of instruction; **One-hour lecture per week equals 1 Credit, 2 hours practical class per week equals 1 credit.** Credit for a practical could be proposed as part of a course or as a separate practical course.
- (iii) **‘SGPA’** means Semester Grade Point Average calculated for individual semester.
- (iv) **‘CGPA’** is Cumulative Grade Point Average calculated for all courses completed by the candidates at any point of time. CGPA may be calculated each year for both the semesters clubbed together, if University Ordinances provides for.
- (v) **‘Grand CGPA’** is calculated in the last year of the course by clubbing together the SGPA of all the semesters or CGPA of the two years. Grand CGPA is being given in transcript form. For the benefit of the candidates, a formula for conversion of Grand CGPA into %age marks as given in the transcript.
- (vi) **‘Grade Point’** is a numerical value allotted to each letter grade.
- (vii) **‘Grade Card’** will be given to all students upon completion of academic work of any semester of a programme and will display the course details (code, title, number of credits) grade obtained in each course and SGPA/CGPA.
- (viii) **‘Letter Grade’** It is an index of the programme leading to award of a degree, diploma or certificate.

## 3. Teaching:

The faculty members of the Department are primarily responsible for organizing lecture work for PGDCMI. The instructions related to tutorials are provided by the respective registering units under the overall guidance of the Department. Faculty from some other Departments are also associated with lecture and tutorial work in the Department.

## 4. The admission and eligibility criterion to be followed for the PGDCMI course:

- (i) The admission to students is offered through direct admission mode on the bases of merit list prepared by the university. In case of entrance test, merit for admission will be prepared on basis of test result.



- (ii) A candidate for being eligible for admission to the one-year PGDCMI course must have passed the examination for the Bachelor's degree of any faculty from any recognized University.
- (iii) The candidate must have undergone to the satisfaction of the Head of the Department of Commerce.
- (iv) All eligible applicants whose complete application reach the University on or before the prescribed date shall ordinarily be considered for the admission in the course.
- (v) The candidate who has been duly selected for admission shall be given a period (as per university guidelines) to pay the prescribed fees in the university. Failure to pay the fees by the due date shall result into the cancellation of the admission claim.

### **Guidelines for the Award of Internal Assessment Marks**

Following are the guidelines for the award of Internal Assessment marks to the students admitted to M. Com Semester-based Course Scheme: -

- For each paper, there are 30 marks allocated for internal assessment and 70 marks for the Semester Examination. Out of 30 marks allocated for internal assessment for each paper:
  - 10 marks are to be assigned for class test
  - 10 marks are to be assigned for assignment
  - 10 marks are to be assigned for attendance and overall performance of the candidate.
- A class test of 10 marks in each paper will be conducted by the teachers teaching the paper at the Department of Commerce. The date and time of the class test will be notified to the students by the respective teachers-in-charge/HoD Commerce of (PGDCMI) course at the Department of Commerce.
- Ten marks are to be awarded for assignment-based work. The marks to be awarded on the basis of student's performance in any one or combination of assignments/activities such as presentation, participation in seminar/workshop, case study discussion, and submission of written assignments as part of their continuous evaluation.
- Ten marks are to be awarded for attendance in the class/assignment/activities of the University. The marks shall be awarded on the basis of existing norms for award of marks for attendance and overall performance of the candidate as per the Internal Assessment Scheme of University. The marks for attendance shall be as follows:

<b>More than 67% but less than 70%</b>	<b>1 Marks</b>
<b>70% or more but less than 75%</b>	<b>2 Marks</b>
<b>75% or more but less than 80%</b>	<b>3 Marks</b>
<b>80% or more but less than 85%</b>	<b>4 Marks</b>
<b>85% and above</b>	<b>5 Marks</b>



## **POST GRADUATE DIPLOMA IN CAPITAL MARKET AND INVESTMENTS (PGDCMI)**

### **PREFACE:**

The **PGDCMI** programme is developed keeping in mind the changes in the practices of the industry, evolution in technology and the expectations of industry, students and faculty members at large.

### **OBJECTIVES:**

- 1- To provide young graduates an opportunity to gain insights into Capital Markets through formal education and training.
- 2- To provide participants with an opportunity to develop knowledge of basic concepts, insights into quality financial services and sharpen the decision making process.

**Duration of Course:** The Programme comprises of Two Semesters.



## **PROPOSED SYLLABUS**

### **PGDCMI: Semester-I**

#### **Paper PGDCMI101: Corporate Finance**

**Duration: 3 hrs**

**Marks: 100 (30+70)**

**5 Credits**

#### **Course Objectives:**

- ❖ To acquaint students with treatment of various concepts and tools and techniques used in Financial Management.
- ❖ To highlight the importance of various decision-making areas of financial Management.

#### **Unit 1-**

**Understanding Financial Statements of corporate organizations:** Financial Statement Analysis using ratio analysis, Introduction to Cash Flow Statement, Shareholder Wealth Maximization or Profit Maximization, Investment, Financing and Dividend Decisions Organization of Finance Function.

#### **Unit 2-**

**Capital Expenditure Decisions:** Time Value of Money, Discounting, Compounding, Payback, Accounting Rate of Return, NPV, IRR.

**Cost of Capital:** Cost of Debt, Preference Shares, Equity, Weighted Average Cost of Capital

#### **Unit 3-**

**Long Term Financing:** Sources of Long-Term Finance.

**Capital Structure and Dividend Policies:** Capital Structure and Firm Value; Traditional, Modigliani Miller and Other Theories, Capital Structure Decision in Practice, Dividend Decisions, Alternative forms of returning cash to shareholders (such as Bonus Shares, Share Splits etc.)

#### **Unit 4-**

**Working Capital Management:** Measurement and Financing of Gross and Net working capital.

#### **Unit 5-**

**Corporate Restructuring and Value Creation:** Corporate Valuation– Introduction to Adjusted Book Value Approach and DCF Approach, Economic Value Added and Market Value Added, Introduction to Mergers, acquisitions and Restructuring.

#### **Reading Sugestions**

1. *Financial Management- I. M. Pandey*
2. *Financial Management, Theory and Practice – Prasanna Chandra,*
3. *Financial Management: Khan and Jain*
4. *Corporation Finance: S.C.Kuchhal*
5. *Indian Journal of Finance*
6. *ICFAI Journals on Finance*
7. *Advanced Financial Management - Dr. N.M. Vechalekar*



## PGDCMI: Semester-I

### Paper PGDCMI102: Money and Capital Markets

**Duration: 3 hrs**

**Marks: 100 (30+70)**

**5 Credits**

#### Course Objectives:

- ❖ To understand of money and capital markets structure.
- ❖ To understand the importance of money and capital markets in resources mobilization.
- ❖ To create the awareness among the students of various instruments and regulation of money and capital markets

#### **Unit 1-**

**Indian Financial System:** Financial Markets: Meaning, overview, function and constituents of Financial Markets, Indian financial Market Vs Global financial Market.

#### **Unit 2-**

**Indian Money Market:** Structure and composition on money market, Money market instruments, functions of money market, Secondary market for money market instruments.

#### **Unit 3-**

**Indian Capital Market:** Evolution and growth, constituents, Capital market instruments, Major issues in Indian capital market, Foreign Exchange market instruments

#### **Unit 4-**

**Regulation of Indian Capital Market:** SEBI Functions and working, SEBI guidelines for primary market, recommendations of committees on regulatory framework.

#### **Unit 5-**

**Stock Exchanges:** meaning features types and recent development of stock exchange, Stock trading on BSE and NSE, Stock Market Index, Stock market trading mechanisms, Online stock trading, OTC Exchange, Prominent International Stock Exchanges (New York, London and Tokyo)- Sectoral Stock indices in India and abroad – Commodity Exchanges, Overview of Derivatives in financial markets – basic derivatives – operations and trading.

#### **Reading Suggestions**

1. Bhole, L.M. *Financial Institutions And Markets*, TATA McGraw-Hill, New Delhi
2. GuruSamy, S: *Financial Services and Markets*, Thomson Learning, Singapore
3. *Indian Journal of finance*
4. Avadhani V.A. *Capital Market Management*, Himalaya Publishing House
5. [www.nseindia.com](http://www.nseindia.com)
6. [www.bseindia.com](http://www.bseindia.com)
7. [www.moneycontrol.com](http://www.moneycontrol.com)





## PGDCMI: Semester-I

### Paper PGDCMI103: Corporate Taxations

**Duration: 3 hrs**

**Marks: 100 (30+70)**

**5 Credits**

#### Course Objectives:

- ❖ To introduce basic of income tax related to personal taxation.
- ❖ To provide in-depth knowledge income tax laws related to personal taxation.
- ❖ To teach how to calculate tax liability of individuals.

#### **Unit 1-**

**Introduction to Income** – Tax- Dividend Income, Income deemed to accrue or arise in India, Special provision in respect of newly established undertakings in free trade zone, etc, Special provisions in respect of newly established Units in Special Economic Zones, Special provisions in respect of newly established hundred per cent export-oriented undertakings, Special provisions in respect of export of certain articles or things , Income from trust's or institutions from contributions, Income from property held for charitable or religious purposes – Conditions for applicability of sections 11 and 12.

#### **Unit 2-**

**Profits and gains of business or profession-** Income from profits and gains of business or profession, how computed, Repairs and insurance of machinery, plant and furniture, Profits chargeable to Tax.

#### **Unit 3-**

**Capital gains-** Capital gains on distribution of assets by companies in liquidation, Capital gains on purchase by company of its own shares or other specified securities, Transactions not regarded as transfer, Withdrawal of exemption in certain cases, Computation of taxable capital gains.

#### **Unit 4-**

Introduction to Direct Tax Code.

#### **Unit 5-**

MAT, Set Off, Carry Forward, Deductions, Tax Rate And Liability, Deferred Tax-Calculation Of Total Tax Liability And Gross Total Income.

#### **Reading Suggestions**

1. [www.nseindia.com](http://www.nseindia.com)
2. [www.bseindia.com](http://www.bseindia.com)
3. [www.moneycontrol.com](http://www.moneycontrol.com)
4. *Income Tax- Direct Taxes- Laws and Practice, Dr. Vinod and Kapil Singhania, Taxman*
5. *Income Tax Law and Practice, Hariharan, Tata Mc-Graw Hill*
6. *Direct Taxes, Jakhotiya, Himalaya Publications.*
7. *Bare Acts & rules of the relevant taxes, Taxman publication*





## PGDCMI: Semester-I

### Paper PGDCMI104: Financial Instruments and Derivatives

**Duration: 3 hrs**

**Marks: 100 (30+70)**

**5 Credits**

#### Course Objectives:

- ❖ To provide students with an introduction to the theory and practice of financial Instruments.
- ❖ To develop an understanding of the importance of financial derivatives and institutional structure of the market.

#### **Unit 1-**

**Capital and Money Market Financial Instruments:** Meaning, definition need and importance , types of various financial instruments.

#### **Unit 2-**

**Money market Instruments:** Call/money, treasury Bills ,term money. Certificate of Deposits, Commercial papers.

#### **Unit 3-**

**Capital market instruments:** Equity shares, Preference shares, No voting shares, Convertible cumulative Debentures, fixed deposits, Warrants.

#### **Unit 4-**

**Derivatives:** Meaning and characteristics, types of derivatives, Spot, forward and future contracts, stock index futures, Commodity derivatives markets.

#### **Unit 5-**

**Option Contract:** Call and Put option, SWAP, Currency derivatives.

#### **Reading Suggestions**

1. [www.nseindia.com](http://www.nseindia.com)
2. [www.bseindia.com](http://www.bseindia.com)
3. [www.moneycontrol.com](http://www.moneycontrol.com)
4. *Indian Journal of finance*
5. *Bhole,L.M. Financial Institutions And Markets, TATA McGraw- Hill,New Delh*
6. *6.Clifford Gomez, Financial Markets, Institutions and financial Services PHI Learning*



## PGDCMI: Semester-I

### Paper PGDCMI105: Merchant Banking and Financial Services

**Duration: 3 hrs**

**Marks: 100 (30+70)**

**5 Credits**

#### Course Objectives:

- ❖ To introduce various merchant banking services and to understand the issue management process.
- ❖ To provide in-depth knowledge of the various financial services.
- ❖ To enable the students to deal with variety of functions within organizations providing financial services.

#### **Unit 1-**

**Merchant Banking** – an overview: regulatory framework, Issue management of public equity / debenture issues activities / procedures, BSE, NSE and Over The counter Exchange of India - History, Role, functions, trading operations and settlement of transactions, regulations of stock exchanges.

#### **Unit 2-**

**Public Issue Management** - Functions, Mechanism, role of issue manager, activities involved in public issue, pre-issue & post-issue activities, various methods of marketing of new issues, prospectus / RHP, Underwriting of securities, Mobilizing fixed Deposits.

#### **Unit 3-**

**Services Offered by Merchant Banker** - Arranging Inter- corporate Loans, Raising term Finance and Loan Syndication, M&A services (types of merger, hostile merger, strategies adopted to avoid hostile merger & valuation methods), takeover, step wise procedure for amalgamation. Portfolio Management services- meaning, scope, registration of portfolio manager, duties, responsibilities, rights, contents of agreement between client and portfolio manager, reports to be furnished, code of conduct (regulation 13 of SEBI Regulation on Portfolio Managers) Credit Syndication services - meaning, institutions offering syndicate loans, types, procedure, project appraisal, documentation and security, sanction of a loan.

#### **Unit 4-**

**Financial Services**– an overview, leasing, Hire purchase finance, Bill financing, Factoring & Forfeiting, Consumer Finance, Credit ratings, Mutual funds, Venture capital financing, Housing finance, insurance services, Securitization and venture capital Financing.

#### **Unit 5-**

SEBI Guidelines w.r.t. the above topics & Latest developments /updates in the above segments.

#### **Reading Suggestions**

1. [www.nseindia.com](http://www.nseindia.com)
2. [www.bseindia.com](http://www.bseindia.com)
3. [www.moneycontrol.com](http://www.moneycontrol.com)
4. *Merchant Banking & Financial Services – Dr. S. Gurusamy*
5. *Financial Services – M.Y.Khan*
6. *Merchant Banking & Financial Services – Anil Agashe*
7. *Marketing of Financial Services – V.A. Avdhani*
8. *Advanced Financial Management – Kohak*
9. *Financial Management – Khan & Jain*
10. *Corporate Finance – Theory & Practice – Aswath Damodaran*