MASTER* IN BUSINESS FINANCE

... Genius inside.

Financial Management and Advanced Financial Analysis

Capital Structuring, Fund Raising and Investment Management

Capital and Financial Market Management

Forex, Treasury and Risk Management

Valuations, Merger & Acquisition, and Principles of Management

Banking, Risk Management and Business Strategy

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up under an Act of Parliament)

ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi–110002

** Master indicates the depth of knowledge, coverage as well as capability and do not refer to a Post Graduate degree.*

CA. Jaydeep N. Shah
President

Committee of Management Accounting (CMA), ICAI

The Committee of Management Accounting (ICAI) has been constituted by the Institute of Chartered Accountants of India keeping in view special contribution, the profession of Chartered Accountancy has been making for the last more than 6 decades in the field of Management Accounting.

Being a partner in the Nation Building, the profession is playing a decisive role in the industry, business and service sector. The Chartered Accountants as Management Accountants have been contributing in: -

- Management Accounting
- Designing and Implementation of Management Accounting Systems
- Strategic Management
- Financial Planning
- Corporate Finance
- Management Information Systems & Risk Management
- Financial Management, Resource Raising & Mobilisation
- Financial Markets, Forex & Treasury Management

GOVERNMENT OF INDIA NOMINEES

Smt. Usha Narayanan (SEBI)

Shri Deepak Narain (DIPP)

Shri. Gautam Guha (C&AG)

We bring to you MBF…Genius Inside

FEATURES

- Comprehensive Finance Curriculum
- Unique mix of faculty
- Focus on Indian market
- Innovative practical application
- Healthy combination of students
- Rigorous testing procedures

Key Differentiators

Why MBF* is better than any other MBA Finance course offered by other Institutes?

1. Providing cutting edge finance skills to Qualified & Experienced Chartered Accountants with an average experience of 10 Years
2. Preparing for Global Economy with special focus on Live Case Studies practiced in class room
3. Providing and exploring opportunity to interact with eminent faculty from B-School like Harvard Business School, Stern School of Business, New York, IIMs , MDI, Management Schools of IITs Premier Universities
4. Create Interactive classroom led by Industry leaders in Private Equity, Fund raising , Banking , Mutual Fund, Forex Management , Merchant Banking
5. 360 degree overview of business finance domain with comprehensive course content similar to what they teach you in Top 10 B-Schools
6. More than 100 Books prescribed for reference the latest and the best
7. Focus on practical & managerial approach towards Business Finance to prepare student for CFO and top Managerial positions
8. Special training sessions on International Taxation , Business Restructuring, Trusts , Intellectual Property etc to prepare for International Assignments
9. Course is designed to amplify the business finance skills of Chartered Accountants and enabling them to become Business leaders
10. Well-equipped libraries at ICAI Bhawans at New Delhi, Mumbai & Centres of Excellence, Hyderabad
11. In built 7 days residential internship/training programme at ICAI's Centre of Excellence, Hyderabad twice during the course.

Knowledge mix for your business needs

- **Comprehensive Finance Curriculum** with focus on all advance facets of finance covering fields of practical application such as Fund Raising, Equity and Fixed Income Research, Financial planning, Financial Risk Management and Enterprise Risk Management, Indian Depository Receipt (IDR), International & Indian Commodity Market, Interest Derivatives, Corporate Valuation, Mergers & Acquisitions, Working Capital Management and Finance, Forex Management and Import/Export financing, Derivatives/Treasury, Banking and Risk Management, RBI guidelines etc.
- **Unique mix of eminent faculty** comprising of academicians from leading B-schools and senior professionals from industry like credit rating leads, investment bankers, private equity firms, portfolio managers etc
- **Focus on Indian market** and relevant regulatory/tax considerations etc in theory as well as projects
- **Innovative practical application** of theoretical inputs in the form of projects, assignments, presentation before technical panels, group discussion etc.
- **100 hours** of dedicated training at a residential campus with 3 star facilities and 24X7 access to eminent faculty, intense brainstorming and projects under expert guidance
- **200 hours** of **classroom sessions** with 500 hours of **self-study** to bring in a balance in perspective between theory and application
- **Access to books and material** widely recognized as the best in the world (written by leading finance gurus, investment bankers etc – eg Euromoney, McGraw Hill, Dun & Bradstreet, Wiley etc)
- **Healthy mix of students** to enhance knowledge sharing and creating positive synergies - all qualified CAs with average Experience of 8-10 years
- **Rigorous testing procedures:** Exams and projects designed in a manner to ensure high quality pass outs –which has been the hallmark of ICAI

Who is Eligible?

Members of the ICAI and the students who have passed the final exam are eligible to pursue this course.

When to Register?

Register Now for MBF Batch Starting at New Delhi, Mumbai, Kolkata, Chennai, Bangalore

How to Register?

Candidates have to fill in the Registration Form available in this Prospectus, with the Committee Secretariat. The Registration form is also available at the website of the Institute www.icai.org. Submit the form complete in all respect along with the requisite fee to: -

The Secretary,
Committee on Management Accounting (CMA)
ICAI BHAWAN,
A-94/4, SECTOR – 58,Noida (U.P.)
Pin Code – 201301
Email: cma@icai.in

A facility of online registration and payment is available at www.icai.org

ICAI Vision

- Recognize the changes in Economy/Business Environment such as focus on value, dynamic business and organization structures, developments in
- Information Technology and Telecommunication, new Government policies, globalization of business and competitive pressures.
- Recognize the path to success by adapting to the changes, knowledge management and acquiring skills to work with future environment influenced by technological and other changes.
- Recognize the opportunities for Chartered Accountants in the emerging areas such as new audit and assurance needs, performance measurement services, change management services, strategy management, general practice specialization and servicing global organizations.
- Recognize the Institute's role as a proactive, innovative and flexible organization, in equipping Chartered Accountants with top quality education and values.
- Recognize the need to be known as World Class Advisors.

Potential Opportunities

- As investment bankers and corporate advisors with transaction services expertise.
- Bank - operations and credit.
- Capital Market including Equity research, IPOs, Merchant Banking, Listing, Corporate Governance and international capital market.
- Top and middle management and key positions in large and midsized corporates.
- Treasury strategy and day-to-day management.
- Insurance fund management.
- Private Equity Funds, Mutual Funds, Hedge Funds, Venture Capital Funds and Asset Management Companies.
- Entrepreneur.

ICAI Centres of Excellence, Hyderabad

Foreword to the Course

IMPARTING THE NITTY-GRITTIES OF FINANCE

Finance is the life blood of any economic activity. Imagine any activity on this earth and we feel the imperative need of finance.

The discipline of finance has undergone a sea change in recent years. There have been new innovations in terms of tools, techniques and instruments of fund raising as well as dealing with the Risks which the organizations have been facing. The economic growth has not only brought changes in this business environment throughout the world but at the same time has created turmoil and turbulence in economic activities.

We have witnessed global financial crisis and many large organizations have collapsed like a pack of cards. The melt down in one part of the world has adversely affected other parts of the globe and even an ordinary person has not been spared from the adverse effects of the recession. The environment becomes even more arduous in times of turbulence.

Such a scenario calls for the professionals at the helm of affairs of finance function to keep themselves abreast with the latest developments and equip with the tools and techniques to deal with such challenging situations. **ICAI launches a Master in Business Finance Certificate Course to impart the nitty-gritties of finance to the members of the Institute.**

A very comprehensive and wide course curriculum has been formulated by the Committee. The course will provide an in-depth and comprehensive knowledge of theoretical as well as practical aspects of Business Finance to the participants.

There is a requirement for the participants to prepare case studies based on real life situations. This will to a great extent sharpen the writing skills of the participants.

The background of a Chartered Accountant is the most ripe to unlearn the past and learn the contemporary with ease and speed. Deep knowledge of business, its operational intricacies and ramifications of managerial decisions come natural to a Chartered Accountant. The Group discussions as a part of course curriculum will provide a good opportunity for the participants to share their rich knowledge and experience with each other. The course thus intends to enable the participants to be the best in finance arena.

Course Content

END TO END SOLUTION IN FINANCE CURRICULAM

LEVEL I

Paper I - Financial Management and Advanced Financial Analysis
Paper II - Capital Structuring, Fund Raising and Investment Management

LEVEL II

Paper III - Capital and Financial Market Management
Paper IV - Forex, Treasury and Risk Management

LEVEL III

Paper V - Valuations, Merger & Acquisition, and Principles of Management
Paper VI - Banking, Risk Management and Business Strategy

Concept & Course Design

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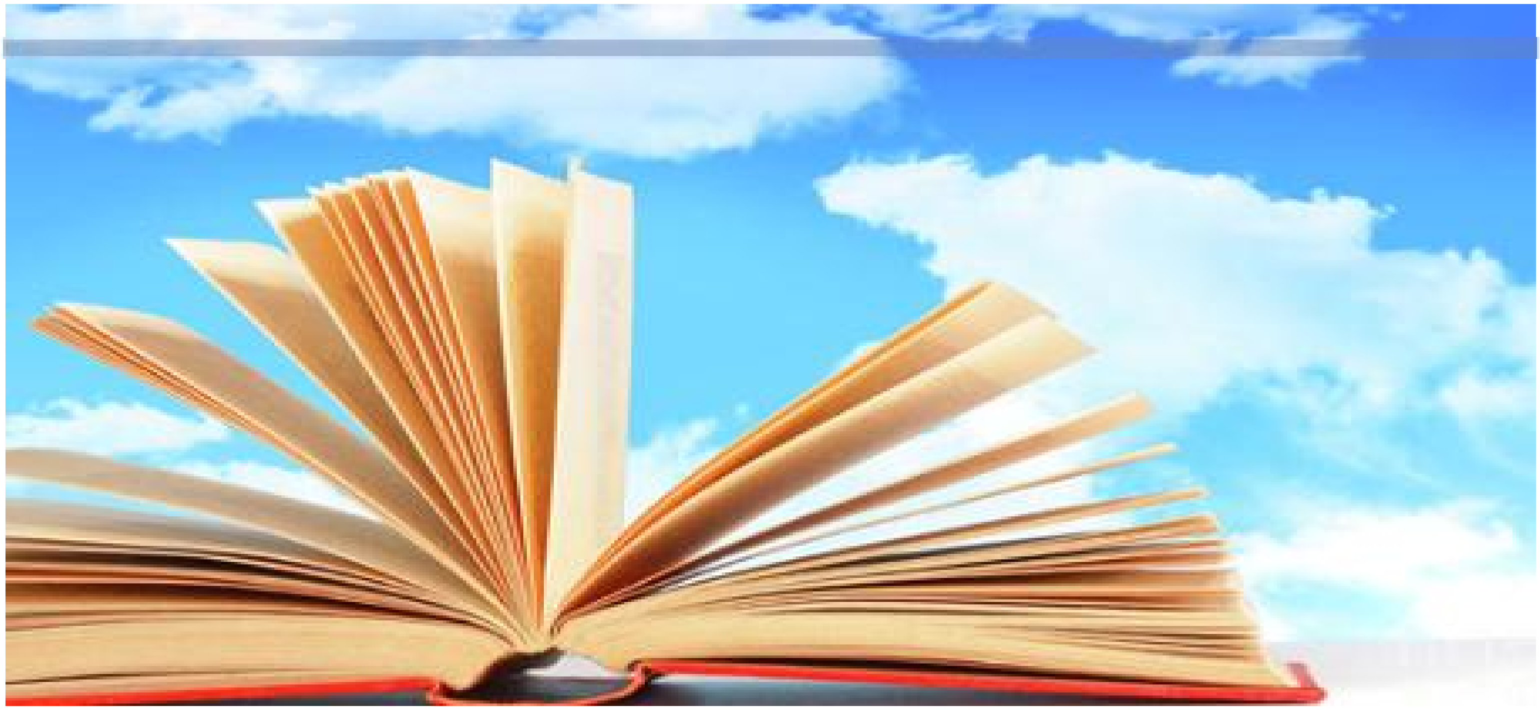

COURSE CONTENT IN DETAIL

END TO END SOLUTION

IN FINANCE CURRICULAM

MBF SYLLABUS

LEVEL I

PAPER 1: FINANCIAL MANAGEMENT AND ADVANCED FINANCIAL ANALYSIS

Module 1 Objective and Scope of Financial Management

Module 2: Applied Financial Analysis & Forecasting

Module 3: Long term Investment Analysis

Module 4: Financial Analysis using Mathematical & Statistical Tools

Module 5: Business Economics-Impact on Financial Markets

PAPER 2: CAPITAL STRUCTURING, FUND RAISING AND INVESTMENT MANAGEMENT

Module 6: Financial Planning

Module 7: Corporate Structuring

Module 8: Capital Structuring

Module 9: Fund Raising

Module 10: A study of Leading Banks & FIs

Module 11: Portfolio Management

Module 12: Alternative Investments

LEVEL II

PAPER III: CAPITAL & FINANCIAL MARKET MANAGEMENT

Module 13: Capital Markets

Module 14: Regulatory Framework of Capital Market

Module 15: International Capital Markets

Module 16: Debt Markets

Module 17: Fixed Income Securities

Module 18: Money Market

PAPER IV: FOREX, TREASURY & RISK MANAGEMENT

Module 19: Foreign Exchange Markets

Module 20: Forex Arithmetic

Module 21: Exchange Rates Theories

Module 22: Forex Risk Management

Module 23: Forex Derivatives (products, valuation and uses in hedging)

Module 24: International Finance

Module 25: Foreign Exchange Management

Module 26: Treasury Management

Level III

PAPER V: VALUATIONS, MERGER &ACQUISITION, AND PRINCIPLES OF MANAGEMENT

Module 27: Corporate Valuation

Module 28: Due Diligence and its Role in Valuation

Module 29: Relative Valuation – Expert level

Module 30: Relative valuation Concepts and applications

Module 31: Valuation Techniques

Module 32: Summarization of Valuation

Module 33: Merger &Acquisitions

Module 34: General Management

Module 35: Organisational Behaviour

Module 36: Strategic Management

PAPER VI: BANKING, RISK MANAGEMENT AND BUSINESS STRATEGY

Module 37: BANKING

Module 38: Banking Functions

Module 39: NPA Management

Module 40: Anti Money Laundry & RBI Guidelines

Module 41: Risk Analysis & Management

Module 42: Business Planning & Functional Strategy

Module 43: Trade Finance

Level 1

PAPER 1: FINANCIAL MANAGEMENT AND ADVANCED FINANCIAL ANALYSIS

Module 1 Objective and Scope of Financial Management

- Introduction
- Meaning & Scope of Financial Management
- Objectives of Financial management
- Role of Chief Finance Officer
- Role of Financial Management in Corporate Governance including agency problem
- Time value of Money
- Assessment of working capital requirements (including CMA data & operating cycle and strategies of negative working capital)
- Management of working capital
  - Debtors Management
  - Inventory Management
  - Credit Management
  - Management of Cash & Cash equivalents
  - Working capital practices
  - Special structured tools for working capital augmentation & management
- Value delivery to shareholders- dividend vs. buy back decision
- Investing, Financing & dividend decisions
  - Concepts and methods
  - Practices
- Preparation of project reports and techno economic feasibility
- Preparation of CMA and Maximum permissible Finance
- Project financing
- Term Loans, Corporate Loans, Asset Base Funding, Other Financial Products
- Working Capital Funding, Concepts, products and Practical Issues

Module 2: Applied Financial Analysis & Forecasting

- Financial Analysis
  - Basic Concepts
  - Business Strategy Analysis of a firm -Latest techniques & tools
  - Financial Statement analysis
    - Introduction
    - Purpose
    - Techniques
    - Application
    - Role of EBIT, EBITDA and other figures in Credit analysis and management
    - Abuses of EBITDA
    - Identifying creative accounting
    - Cash Flow Analysis
  - Unusual Trend Analysis
  - Factor for bankruptcy analysis
  - Credit analysis
    - Balance Sheet Analysis
    - Debtors Age
    - Creditors Age
    - Fixed Assets
    - Advances
    - Deposits
    - Inventory
    - Investments
    - Cash & Cash Equivalents
    - Ratio
    - Credit Risk Relation
  - Balance Sheet ratios
  - Earning and Expenses ratios
  - Profitability Analysis
    - Segment Analysis
    - EPS
    - Operating Margin
    - Operating Activity wise analysis
    - Combination ratios (DSCR, Interest service coverage ratio, D/E Ratios, Leverage and other Balance sheet items etc.)
  - Analysis of other balance sheet items (Leasing, derivatives, Securitization & off balance sheet items)
  - Analysis of Auditors Reports
  - Analysis of Notes to Accounts
  - Impact of non-compliance of Accounting Standards.
  - Financial Shenanigans
  - Equity Analysis

- PE Ratio
  - Du-Pont Analysis
  - Equity Research- concepts, techniques and applications.
- Evaluation of Risk in Specific situations when the concern is:
  - Young
  - Growing
  - Matured
  - Troubled/Stressed
- Latest techniques of financial analysis and their application.
  - Value chain analysis
  - Balanced Score Card
  - Six Sigma
  - Economic value added
  - Market value added
- Forecasting Financial Statements
  - Forecasting Techniques
  - Multiyear Projections
  - Sensitivity Analysis
  - Financial modelling
- Advanced Excel Functions

<u>Module 3: Long term Investment Analysis</u>

- Estimation of Cash Flows
  - Equity cash flow
  - Free cash flow
- Estimation of discount rates
  - Cost of Equity-CAPM, Multifactor models, Built up model and dividend model
  - Cost of preference share
  - Cost of debt
  - WACC
  - RADR
- Capital Budgeting
  - Basic Concepts
  - Techniques
  - Practical Aspects
- Real Options and their use in long term decision
- Adjusted present value and its application
- Risk Analysis in Investments
  - Probability
  - Sensitivity Analysis
  - Scenario Analysis
  - Monte Carlo Simulation
  - Certainty Equivalent Model
  - Decision tree analysis
- Data Management
- Pivot Tables, Scenario Analysis, Trend Analysis, and other Statistical Tools / Quantitative Methods for Financial Analysis

<u>Modules 4: Financial Analysis using Mathematical & Statistical Tools</u>

Business Mathematical Tools and Financial Analysis

- Matrix Application in Portfolio Construction
- Series & Sequence
- Exponents & Logarithms
- Continuous Compounding
- Equation & Inequalities
- Trend Analysis
- Financial Analysis of derivative products
- Delta & gamma in Option

Statistical Tools in Financial Analysis

Basic concepts

Linear Regression Model

- Ordinary Least Square (OLS)
- Statistical Inference
  - ANOVA (Analysis of Variance Tests)
  - Confidence Interval
- Evaluating the regression model
  - R-square
  - Adjusted R-square
  - Testing for statistical significance
- Hypothesis testing
- Break Down of OLS assumption
  - Hetro-scedasticity
  - Auto Correlation
  - Multi-Collinearity

- **Time Series Modelling & Forecasting**
  - Stationery Time Series Analysis (MA, AR & ARMA Models)
  - MA-Moving Average, AR-Auto Regressive
  - Weak Stationery, Test of Independence
  - Forecasting in ARMA Model
  - Analysis of Non-Stationery time series (ARIMA Models)
- **Dynamic Model of Asset Returns & their volatilities**
  - ARCH Model (Auto Regressive Conditional Hetro-scedastic Model)
  - GARCH Model (Generalized ARCH Model)
  - Integrated GARCH Model
  - Exponential GARCH Model (E-GARCH)
  - The ARMA-GARCH & ARMA – EGARCH models

- Forecasting future returns and volatilities.
- Utility function

Module 5: Business Economics-Impact on Financial Markets

- Macro and Micro Economics
- Financial, Industry and Service Sectors
- Impact Analysis of Economic, Financial, Political and International News
- National Income Measurement & Use of Related Economic Statistics in finance
- Monetary Policy – Impact on economy & financial Management
- Fiscal policy – Impact on Economy & financial Management
- Business Cycles & Economic fluctuations
- Flow of income – Consumption, Savings & Investment
- Uncertainty and expectations
- Inflation- Causes of inflation, level of prices and the value of money, The Fisher effect, the cost of inflation.
- Analysis of Interest Rates-Interest Rates in India, Policy Rates, T-Bill Rates, Repo/Reverse Repo Rates, Call Money Rates, PLR, LIBOR, MIBOR, EURIBOR, SIBOR, MIFOR, Interest rate structures in developed economies of the world.
- Yield Curves
- Term Structure Theories
  - The Preferred habitat theory
  - The Unbiased Expectations theory
  - The Liquidity preference theory
  - The market segmentation theory

PAPER 2: CAPITAL STRUCTURING, FUND RAISING AND INVESTMENT MANAGEMENT

Modules 6: Financial Planning

- Fundamentals of Financial Planning
- Financial planning
  - Corporate financial planning –short term and long term approaches, methods and application
  - Personal financial planning (life cycle approach to income planning, consumer credit, retirement planning, health and life insurance policies, basic about estate planning)

Modules 7: Corporate Structuring

- Concept of Corporate Structuring
- Understanding of different theories of corporate structuring including case study of various Indian and International Models
- Succession Planning
- Management Planning of Family Managed Businesses and related structures
- Planning of Wealth Accumulation and Management
- Corporate Restructuring
  - Sell-offs, spin-offs
  - Equity carve-outs
  - Liquidations
  - Reorganizations
  - Shares buy back and corporate performance
- Joint ventures & Strategic Alliances
- Asset Reconstruction Companies (including RBI regulations, Role of ARCIL & other asset restructuring companies)
- Corporate Debt Restructuring (CDR) cell
- Board of Industrial Finance Reconstruction (BIFR)
- National Company Law Tribunal(NCLT)
- Role of Debt recovery tribunal
- SARFAESI Act & its implication.
- Bankruptcy

- Case Studies

    i. Barings
    ii. Enron
    iii. WorldCom
    iv. Tyco
    v. Macroni
    vi. Swiss Air
    vii. Royal Ahold
    viii. Parmalert
    ix. Lehman Brothers
    x. Indian Case Studies

Module 8: Capital Structuring

- Basic Concepts
- Capital Structure Theories (Debt, Equity & Options)
- Capital Structure & the theory of perfect capital markets
- The trade off model
- Capital Structure Planning (The design of capital structure)
- Minimum Acceptable rate of return

Module 9: Fund Raising

- Debt
- Equity
- Promoters
- Strategic investment.
- Structured Financial Products and Securities
- Securitisation
- Off Balance sheet Funding
- External Commercial Borrowing
- **Venture Capital Funds:** A study of various national and international venture capital funds including their approach, emphasis and basic requirements/expectations and focus areas while funding. **(For Sample List of Venture Capital Funds, PE Funds-Please refer Annexure- I)**
- **Private Equity:** A study of various private equity national and international players including structure, objective, funding objective, focus and methodology.
    - Short term financing
    - Long term financing
- Sources of finance
    - Overdraft
    - Bank term loans
    - Asset-based finance
    - Receivables Finance
    - Angel funding
    - Factoring and invoice discounting
    - Hire purchase and leasing
    - Merchant banks (medium to longer term loans)
    - Personal resources
    - Structured financing
    - Other sources of funds like NBFCs
- Credit Enhancement tools
- Credit Rating improvement
- Financial Institutions
    - India (Banks, FIs)
        - Structures
        - Norms
        - Nature of Financing

Module 10: A study of Leading Banks & FIs

A study of various national and international Banks & Financial Institutions including their structure, objective, funding objective, focus and methodology.

- Master Circulars of RBI on Finance
- Non-Banking Financial Institutions/Companies
- International Banks and Institutions
    - Structures
    - Norms
    - Nature of Financing
- Multilateral Agencies
    - World Bank
    - ADB
    - IFC
    - KFW, Japan
    - WTO
    - International Monetary Fund

Module 11: Portfolio Management

- Concepts and Regulatory Framework
- Overview of investment environment
- Investment Process
- Investment Policy
- Investment theory.
- Market Efficiency & Efficient Market Model
  - Random Walk Hypothesis
  - Efficient Market Hypothesis
  - Implications of Market Efficiency
  - Empirical test
- Markowitz Portfolio Theory and capital allocation line
- Capital Asset Pricing Model(CML and SML), multifactor model and Fama French Three Factor Model
- Estimating betas (characteristic line)
- Mutual Fund
  - History and current status
  - Need, regulation, organisational Structure and formation
  - Types of mutual fund
  - NFO
  - Valuation of units of fund
  - Close end vs. open end
  - Scheme vs. plan
  - Types of plans
  - Mutual fund expenses
  - Entry and exist load in buying the Fund
  - SEBI regulations relating to mutual funds
- Index Models & Tracking Portfolio
- Portfolio turnover
- Active and passive portfolio management
- Fund Performance Evaluation techniques
- Style Analysis
- Morning star – Risk Adjusted Rating
- Performance Measurement with changing portfolio composition.
- International diversification

Module 12: Alternative Investments

- Concepts and Regulatory Framework including SEBI Guidelines
- Real Estate Investment Funds and Real Estate Investment Trust.
- Hedge funds
  - History and current status
  - Operation of hedge fund- regulation and structure
  - Risks of specific strategies (fixed income arbitrage, merger arbitrage, convert arbitrage, equity long/short market neutral, macro, distressed de bt, emerging markets)
  - Asset illiquidity, valuation, and ris k measurement
  - The use of leverage and derivative s and the risks they create
  - Correlations among hedge funds a nd between hedge funds and other assets
- Behavioral finance -Psychology of Investing & Behavioral Finance
- Pension Funds
- Philosophy Of Investment Gurus (Masters)
  - Grahmin Benjamin
  - Warren Buffet
  - Peter Lynch
  - George Soros

LEVEL II

PAPER III: CAPITAL & FINANCIAL MARKET MANAGEMENT

Module 13: Capital Markets

- Basics of capital markets (need, evolution and constituents)
- Segment of capital market
- Private Placement Of shares
- Public issue of shares(methodologies like book building route and procedural aspects)
- IPO pricing and regulatory compliances (including green shoe option)
- Right issues and secondary public issues
- Exit offers (delisting offers) and strategic issues
- Share Trading, Secondary Market
- Depositories.
- Stock Exchange Indexes construction (domestic and international)
- Options Futures & Derivatives
    - Futures (Types, valuation, speculation, arbitrage, and hedging)
    - Options (types, valuation, speculation , arbitrage and valuation)
    - Swaps
    - Vanilla Derivatives
    - Structured Derivatives
    - Collar
    - Risk, Evaluation and Management of Derivatives
    - Modern Vis. Ancient Derivative Products
    - Merits and Demerits including Market Impact Study of Derivatives
    - Derivatives as tool of Hedging, Speculation

Module 14: Regulatory Framework of Capital Market

- Securities Contract Regulation Act
- SEBI Regulations.
- SEBI Guidelines
    - Brokers/Sub-Brokers.
    - Merchant Bankers
    - Disclosure & Investor Protection Guidelines
    - Insider Trading Code
    - Take-over Code
    - Registrar & Transfer Agents
    - Other Guidelines and Regulations
- NSE, BSE, and MCXsx
    - Guidelines
    - Listing
    - Compliance

Module 15: International Capital Markets

- Major International Capital Market
    - NASDAQ
    - New York Stock Exchange
    - Small Stock Exchanges in USA/UK
        - Listing Guidelines
        - Market Participants
        - Market Regulators
    - London Stock Exchange
    - Alternative Investment Markets (AIMs, London).
    - Singapore
    - Luxemburg
    - Hong Kong
    - Listing Guidelines
- International Offering (ADR and GDR)

Module 16: Debt Markets

- Debt Market
    - Private Placement
    - Credit Rating
    - Different Instruments
    - Listing of Debts
    - SEBI Guidelines
- Primary Dealers and Secondary Dealers
- Wholesale Debt Market
- Negotiated Dealing System (NDS Platform)

Module 17: Fixed Income Securities

- Features of Fixed income securities
- Risks & returns analysis in fixed income securities
- Type of fixed income securities including hybrid instruments
- Valuation of fixed income securities including embedded option
- Duration
- Convexity
- Price value of a basis point(PVBP)
- Spot rate
- Forward rate
- Bootstrapping
- Fixed Income Portfolio management-domestic and international
- Immunization
  - Introduction to National and major international debt markets
  - Primary debt market
  - Public offer of debt securities
  - Private placement of debt securities
- Interest rate derivatives (products, pricing and application)
  - Interest rate swap (IRS)
  - Forward Rate Agreement (FRA)
  - Interest rate option- Caps, Floor, collars (IRO)
  - Interest rate futures (IRF)
- Securitization products and uses (Asset Based Securitization and Mortgage Based Securitization)
- Pass through certificate and other mechanism of securitization.

Module 18: Money Market

- Basics of Money Market
- Money Market Participants
- Money Market Instruments (Call Money, Term Money, Notice Money, Commercial Paper (CP), Certificate of Deposits (CD), T-Bill, Repo and Reverse Repo , BRDS, Inter-Bank Participatory Certificate (IBPC), etc.,
- FIMMDA practices and Regulations
- Co-lateralized Borrowings & Lending Obligation (CBLO)
- Repo and Reverse Repo
- CRR, SLR
- MIBOR, LIBOR
- Government Securities Market
- Master Circulars on Financial Markets
  - Call/Notice Money Market Operations
  - Guidelines for Issue of Certificates of Deposit
  - Guidelines for Issue of Commercial Paper

PAPER IV: FOREX, TREASURY & RISK MANAGEMENT

Module 19: Foreign Exchange Markets

- Basics of foreign Exchange
- Overview of Forex market
- Evolution of Forex market
- Market participants
- International exchange rate system
- Market regulator

Module 20: Forex Arithmetic

- Type of quotes Ready, Tom, Spot, Forward
- Settlement of Forex transactions(Nostro, Vostro and Loro account)
- Two way quote
- Bid-Ask spread
- Pips
- ACI convention and quote interpretation
- Quote style Direct quote, Indirect quote, American quote and European quote
- Cross rate
- Forward exchange rate quotation
- Forward point determination
- Broken period forward rate
- Merchant rates
- Concept of NDD (Notional due date) and NTP (Notional Transit period) and their use in export bill pricing (sight and usance export bills)
- Crystallization of export and import bills
- Forex swap
- Dealing position and fund position

Module 21: Exchange Rates Theories

- Expectation Hypothesis
- The Fisher Effect
- Interest Rate Parity (IRP)
- Forex Rate Forecasting
- Purchase Power Parity(PPP)

Module 22: Forex Risk Management

- Forex Currency trading and arbitrage
  - Locational Arbitrage
  - Covered Interest Arbitrage
- Forex Exposure, identification, measurement and management
- Translation Exposure
- Transaction Exposure
- Economic Exposure
- Internal hedging tools for risk management
- Money Market Hedge (MMH)
- Federation of Exchange Dealers Association of India (FEDAI) Regulation.

Module 23: Forex Derivatives (products, valuation and uses in hedging)

- Foreign currency options
- Foreign Currency swaps
- Forward Contracts (booking, extension/roll over, cancellation and early delivery)
- Foreign Currency Futures
- Foreign Currency Swaps
- Vanilla Derivatives
- Structured Derivatives
- Exchange Traded Currency Derivatives

Module 24: International Finance

- Role Of International Financial Markets
- International capital budgeting.
- Regulation related to FDI and ECB
- Packing Credit Limit.
- Packing Credit Foreign Currency limit and post shipment finance
- Analysis of domestic v/s foreign loan
- Buyers credit and supplier's credit
- Forfeiting
- International working capital management
- Designing an international financial and corporate structure
- Brief on Corporate Laws and Tax Laws of certain important countries.

Module 25: Foreign Exchange Management

- Direct Investment by Residents in Joint Venture (JV)/Wholly Owned Subsidiary (WOS) abroad
- Export of Goods and Services
- External Commercial Borrowings and Trade Credits
- Foreign Investment in India
- Import of Goods and Services
- Miscellaneous Remittances from India – Facilities for Residents
- Non-Resident Ordinary Rupee (NRO) Account
- Remittance Facilities for Non-Resident Indians/Persons of Indian Origin / Foreign Nationals
- Risk Management and Inter-Bank Dealings

Module 26: Treasury Management

- Introduction to treasury management
  - Objectives
  - Concept
  - Organization of treasury
  - Functions of integrated treasury
  - Process of Globalization
  - Evolving role of Treasury as profit centre
- Liquidity planning and managing cash assets
  - Measurement of liquidity
  - Objectives of cash management
  - Reserve with Central banks
  - Managing float
  - Managing correspondent balances
  - Liquidity planning
  - Traditional liquidity measures
  - Nostro/vostro account management
- Risk Management Treasury
  - Introduction
  - Definition of risk and risk management
  - Risk management process
  - Risk identification, measurement, monitoring and control
  - Types of risks (Business risk, Credit risk, Market risk, Earning risk, Liquidity risk, Operational risk, Control risk)
- Asset- Liability Management
  - Asset liability management
  - Bank Balance Sheet Analysis
  - Components of assets/ liabilities and their management
  - ALM implementation
  - RBI guidelines.
  - Management of SLR and non-SLR securities, Dealing Room Operations

Level III

PAPER V: VALUATIONS, MERGER &ACQUISITION, AND PRINCIPALS OF MANAGEMENT

Module 27: Corporate Valuation

- Overview of Valuation
- Introducing valuation
- Valuation analysis
- Historical Analysis-
- Forecasting of future projections.
- Projected profitability
- Validity Check
- Estimation of Cash Flows
  - What to include
  - What to exclude
  - Initial/Interim
  - Regular cash flow
  - Period to consider
  - Post projection cash flow mapping
  - Role of Residuary value
  - Other Conceptual aspects of DCF Techniques
  - Discount factors
  - Contingency factors
  - Weight assignment
- Role of DCF technique in estimating
  - Enterprise Value
  - Equity Value
  - Principles of Adjusted Present value
  - Drawbacks and limitations of DCF techniques
  - Projections are projections – How validated to mapping
  - Assumptions, mapping and basis of arriving at assumptions
  - Advance techniques of MS Excel to facilitate DCF analysis.

Module 28: Due Diligence and its Role in Valuation

- Types of Due diligence
- Effect of due diligence on valuation
- Valuation Standards issued by ICAI

Module 29: Relative Valuation – Expert level

- Identification of Comparable
- Listed Entities
- Unlisted Entities
- Role of deal trading database
  - Private Equity deals
  - Private placement deals
  - Other transactions
- Adjustment factors to bring Non Comparable to Comparable
- How to use multiproduct Comparable
  - Role of segment reporting
- Price Earnings multiples
  - Concept of PE
  - Which date/ period P/E multiple to consider
  - Discount factors
  - Premium factors
  - Benchmarking analysis

Module 30: Relative valuation Concepts and applications

- Price to Equity Ratio (PER)
- Price earnings growth
- Price to book value
- Price to cash flow
- Enterprise Value to EBITDA (including how to actually calculate)

Module 31: Valuation Techniques

- **Income approach**
  - Historical Income- thread bare analysis
  - Forecasted Income- special factors and assumptions considered
  - Embedding strategic analysis into forecasting
  - Earning capitalization
    - Concepts
    - Application
  - How to arrive at capitalization rate
  - Role of prime rate, Repo rate, MIBOR, call money rates, YTM of 10 year Gilt and other factors directly determining capitalization rate
- **Asset Approach**
  - Valuation of Land
  - Valuation of Building (Area, Residual life, Discount factors, Maintenance, Index rating)
  - Property, Plant and Equipment
    - Concept of cash generating Unit- Valuation
    - Concept of residual life
    - Comparable current cost

- Invitation from latest quotes from market
    - ABC Analysis of Property Plant & Equipment (PPE) for application of differential technique
- **Valuation technique Selection**
    - Other valuation techniques
    - Selection of appropriate valuation technique
    - Elimination of irrelevant valuation technique

Module 32: Summarization of Valuation

- Averaging
- Range
- Different options of valuation
    - As per arrangement perception
    - As per Valuers perception
    - Objective analysis and its impact on summary valuation
    - Practical aspects and case studies
- Valuation of Intellectual property Rights, Brands and Intangible Assets - Concepts and Applications
- Valuation of shares
    - Equity
    - Preference shares
    - Special financial instruments
- Valuation of debt
- Valuation of Jewellery
    - Gold
    - Diamond
    - Other metals and precious stone
    - Concept of making charges
    - Evaluation of quality
    - Replacement value
    - Realizable value
    - Other valuation fundamentals
    - How to verify report of an expert
- Valuation of Options
    - General Principles of Option Valuation
    - Specific method for Valuing Options
    - Binomial tree method
    - Black Scholes Valuation: Formula and Application
- Role of structuring a transaction - Implication on Valuation

Module 33: Merger &Acquisitions

- Mergers.
- Merger Strategy
- Takeovers
    - Take over code
    - Hostile takeovers
    - Takeover defences & strategies
- Legal and Regulatory issues
- Leveraged Buy Outs
- Management Buy Outs & Buy Ins
- Merger Arbitrage
- Financing Mergers
- Acquisitions.
- Tender offers.
- International M&A
- Strategic Aspects in Mergers and Acquisitions
- Legal Aspects-Companies Act, Income tax & Stamp Duty Act.
- Documentation of merger
- How to frame merger schemes?
- How to undertake national / international merger?

Module 34: General Management

- Business Research Methods
- Managerial Communication
- Managerial Ethics [2 credits]
- Analysis for Managerial Decision Making
- Corporate Image Building
- Emotional Intelligence and Managerial Effectiveness
- Operational Research & Management
- Human Resource Management

Module 35: Organisational Behaviour

- Individual and Group Behaviour in Organisation
- Organisational Structure, Design & Change
- Assertiveness Training
- Balanced Score Card
- Corporate Governance
- Cross-Cultural Management
- Designing Organisations for Uncertain Environment
- Leadership, Influence and Power
- Management of Creativity
- Management of Relationships
- Personal Effectiveness and Self-Leadership
- Personal Growth Lab
- Political Behaviour & Impression Management in Organizations
- Stress Management

- Transactional Analysis
- Zen and the Executive Mind

Module 36: Strategic Management

- Sustainable Development and Corporate Sustainability
- Building Learning Organisations
- Business Networking
- Competition and Globalisation
- Contemporary Business Practices
- Entrepreneurship Planning and Development: with special reference to Tech-Entrepreneurs and Professionals
- Strategy Formulation, Testing and Implementation
- International Relations and Management
- Managing Private-Public Partnerships
- Strategic Marketing
- Individual and Group Behaviour in Organisation
- Organisational Structure, Design & Change
- Assertiveness Training

PAPER VI: BANKING, RISK MANAGEMENT AND BUSINESS STRATEGY

Module 37: BANKING

- Banking basics
- Evolution of banking
- Overview of banking system
    - Indian banking system
    - Functions of banks
    - Banking technology
    - Banking products & services
- Scheduled and non-scheduled banks
- Indian vs. Foreign banks
- Regulations on foreign banks – Indian Regulator, Domestic Regulator
- Government and RBI regulations
- General banking
- Retail Banking
- Corporate Banking
- Government Business
- Treasury
- Trade Finance
- International Banking System
- International Fund Transfer
- Offshore Banking
- Capital Planning and Capital Adequacy of Banks
- Liabilities Management (including NRI deposits)
- Cost of Funds and Transfer pricing.

Module 38: Banking Functions

- Credit Management
    - Loan Policy of Banks
    - Exposure norms
    - Screening of applications
    - Appraisal of credit
    - Sanction limit
    - Post sanction compliance
    - Monitoring supervision
    - Review
    - Government policies for credit extension
    - Credit institutions
    - Principles of good lending
    - Borrower study and bankers opinion
    - Credit policy by banks
    - Government regulation of credit
    - Prudential norms
- Consumer loans
    - Types
    - Credit analysis of consumer loans
    - Risk–return analysis of consumer loans
    - Customer profitability analysis and loan pricing
    - Fixed Vs floating rates
- Loan and advances against pledge
    - Hypothecation
    - Mortgage
    - Lien
    - Advances against goods-Document to title to goods
    - Life insurance policies
    - Stock exchange securities
    - Fixed deposit receipts
    - Book debts & factoring
    - Supply bills
    - Real estates
    - Advance against collateral securities
    - Corporate Guarantees and documentary credit
    - Letter of credit discounting
    - Letter credit negotiation

- Agricultural finances and Retail lending
    - Crop loans
    - Crop insurance schemes-Dairy- Sericulture- Poultry- Animal husbandry ,Horticulture
    - Kissan credit cards
    - NABARD initiatives
    - Lead bank schemes
    - Retail banking advances–Concept–Retail banking products
    - Consumer credit financing.
- Financing to small scale industries and large scale industries
    - Term lending
    - Syndicated loan system
    - Role of development banks in industrial finance
    - Working capital finances
    - Turnover method
    - Modified version of MPBF
    - Long term finance

Module 39: NPA Management

- Introduction
- Identification of NPAs (CC, OD, Term loans, Bills purchased, Other accounts)
- Asset classification
- Prudential norms
- Capital adequacy–International Banking Regulation-Basel II.
- Asset classification provisioning
- Effect of NPA on profitability
- Monitoring systems for existing and likely NPAs
- Rehabilitation of sick NP units
- Recovery of NPAs
- Compromise and negotiated settlements
- Securitization of Debts
- Investment Management in Banks
    - Management of SLR and non-SLR securities
    - Dealing Room Operations
    - Integrated Treasury Management.

Module 40: Anti Money Laundry & RBI Guidelines

- Know Your Customer (KYC) Guidelines.
- Anti Money Laundering Law, Guidelines & Circulars.

Module 41: Risk Analysis & Management

- Overview of Risk management in Corporate & banks
- Measuring and management of risks.
- Credit Risk Measurement and Management
    - Bankruptcy and default
    - Credit spreads
    - Probability of default
    - Loss given default and recovery rates
    - Expected and unexpected loss
    - Credit scores
    - External credit ratings
    - Internal credit ratings surveillance and monitoring of borrowers and credit limits/exposure
    - Contingent claim approach and the KMV Model
    - Default and default-time correlations
    - Portfolio credit risk
    - Credit risk management models
    - Credit derivatives
        - Credit default swap (CDS)
        - Total return swap (TRS)
        - Credit spread option (CSO)
        - Credit link notes (CLN)
        - Collateralized debt obligations (CDO)
        - Other credit derivative products.
    - Special Purpose Vehicles (SPVs) or Special Purpose Enterprises (SPEs)
        - Trust / Corporate / Other structures
        - Role of revocable & irrevocable structures
        - With or without recourse structures
    - Counterparty Risk
    - Insurance of Credit Risk, Sovereign Risk
- Operational and Integrated Risk Management
    - Types of operational risk
    - Workflow in financial institutions
    - Insuring and hedging operational risk
    - Severity and frequency distributions for op erational risk
    - Aggregated distributions
        - Loss distributions
        - Aggregating loss distributions
    - Firm wide risk measurement and management
    - Correlations across market, credit, and ope rational risk
    - Differences between market and operational VARs

- Definition of risk capital
    - Allocation of risk capital across the firm
    - Basel II Accord
    - Evaluating the performance of risk management systems
    - Implementation risks of risk management
    - Legal risk
    - Liquidity risk
- Risk Management and Investment Management
    - Traditional investment risk management
    - Return metrics (Sharpe ratio, information ratio, VaR, relative VaR, tracking error, survivorship bias)
    - Implementing VaR
    - Benchmarking asset mixes
    - Risk decomposition and performance attribution
    - Risk budgeting
    - Tracking error
    - Setting risk limits
    - Risk of alpha transfer strategies
    - Risk management issues of pension funds

Module 42: Business Planning & Functional Strategy

- Business Strategy
- Macro environment
- Strategic Options
- Strategies for Change
- Industry and Market Environment
- Ethics, sustainability and Corporate Responsibility

Module 43: Trade Finance

- Business Strategy
- Macro environment
- Strategic Options
- Strategies for Change

"We Create Value, Valuations will Follow…!!"

Founder – MBF Course

Note:

Please note that Registration fee once paid is non-refundable under any circumstances and Institute will not entertain any correspondence in this regard.

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(Tea with Snacks will be provided)

(d) 100 CPE HOURS CREDIT

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