



Mahatma Gandhi University
MEGHALAYA
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SYLLABUS MANUAL

TRADITIONAL PROGRAMME

PROGRAMME CODE --- 711
Master of Commerce (MCOM)

YEAR I

CODE	SUBJECT	CREDITS
MCOM11	Accounting For Managers	6
MCOM12	Business Environment	6
MCOM13	Management process of organisational Behaviour	6
MCOM14	Managerial Economics	6
MCOM15	Project Management	6
MCOM16	Management Information System	6
TOTAL CREDITS		32

YEAR II

CODE	SUBJECT	CREDITS
MCOM21	Fundamentals Of Computers	6
MCOM22	Financial Services	6
MCOM23	Financial Management	6
MCOM24	Strategic Management	6
MCOM25	Direct Taxes, Law And Practice	6
MCOM26	International Business	6
TOTAL CREDITS		33

Detailed Syllabus

YEAR I

MCOM11 --- Accounting For Managers

UNIT 1 ACCOUNTS OF HOLDING COMPANIES

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Concept of Holding Company
- 1.3 Wholly Owned and Partly Owned Subsidiaries
- 1.4 Final Accounts
 - 1.4.1 Financial Year of Holding and Subsidiary Companies
 - 1.4.2 Consolidated Final Accounts
- 1.5 Consolidated Balance Sheet
 - 1.5.1 Elimination of Investment in Shares of Subsidiaries Account
 - 1.5.2 Minority Interest; 1.5.3 Cost of Control (Goodwill or Capital Reserve)
 - 1.5.4 Capital Profits and Revenue Profits; 1.5.5 Inter-Company Transactions
 - 1.5.6 Contingent Liabilities; 1.5.7 Unrealized Profits;
 - 1.5.8 Revaluation of Assets and Liabilities; 1.5.9 Preference Shares in Subsidiaries
 - 1.5.10 Bonus Shares; 1.5.11 Dividends; 1.5.12 Securities (Share) Premium, Capital Reserve, etc.
 - 1.5.13 Preliminary Expenses; 1.5.14 Provision for Taxation
 - 1.5.15 Purchase of Shares in Instalments
 - 1.5.16 Sale of Shares
- 1.6 Summary
- 1.7 Key Terms
- 1.8 Answers to 'Check Your Progress'
- 1.9 Questions and Exercises
- 1.10 Practical Problems
- 1.11 Further Reading

UNIT 2 ACCOUNTS OF PUBLIC UTILITY UNDERTAKINGS

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Double Account System
- 2.3 Replacement of Asset
- 2.4 Accounts of Electricity Concerns
- 2.5 Final Accounts of Electricity Companies
- 2.6 Summary
- 2.7 Key Terms
- 2.8 Answers to 'Check Your Progress'
- 2.9 Questions and Exercises
- 2.10 Practical Problems
- 2.11 Further Reading

UNIT 3 ACCOUNTING FOR SPECIALIZED TYPES OF BUSINESS

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Farm Accounts
- 3.3 Underwriters
- 3.4 Advanced Accountancy

3.5 Voyage Accounts

3.6 Summary

3.7 Key Terms

3.8 Answers to 'Check Your Progress'

3.9 Questions and Exercises

3.10 Practical Problems

3.11 Further Reading

UNIT 4 INFLATION ACCOUNTING

4.0 Introduction

4.1 Unit Objectives

4.2 Price Level Accounting and Inflation Accounting

4.3 Methods of Accounting for Changing Prices

4.4 Summary

4.5 Key Terms

4.6 Answers to 'Check Your Progress'

4.7 Questions and Exercises

4.8 Practical Problems

4.9 Further Reading

UNIT 5 ACCOUNTS OF CO-OPERATIVE SOCIETIES

5.0 Introduction

5.1 Unit Objectives

5.2 Kerala Cooperative Societies Act, 1969

5.2.1 Definitions

5.3 Registration of Cooperative Societies

5.4 State Aid to Cooperative Societies

5.5 Properties and Funds of Cooperative Societies

5.6 Management of Societies

5.7 Summary

5.8 Key Terms

5.9 Answers to 'Check Your Progress'

5.10 Questions and Exercises

5.11 Further Reading

UNIT 6 HUMAN RESOURCE ACCOUNTING

6.0 Introduction

6.1 Unit Objectives

6.2 Concept of Human Resource Accounting

6.3 Valuation of Human Resources

6.4 Recording and Disclosure in Financial Statements

6.5 Importance of Human Resource Accounting

6.6 Human Resource Accounting in India

6.7 Summary

6.8 Key Terms

6.9 Answers to 'Check Your Progress'

6.10 Questions and Exercises

6.11 Further Reading

MCOM12 --- BUSINESS ENVIRONMENT

UNIT 1 NATURE AND SCOPE OF BUSINESS ENVIRONMENT

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Scope and Characteristics of Business
- 1.3 Goals of Business
- 1.4 Nature of Environment
- 1.5 Benefits and Limitations of the Study of Business Environment
- 1.6 Internal Environment
- 1.7 External Environment
- 1.8 Summary
- 1.9 Key Terms
- 1.10 Answers to 'Check Your Progress'
- 1.11 Questions and Exercises
- 1.12 Further Reading

UNIT 2 GLOBAL ENVIRONMENT

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Meaning and Nature of Globalization
 - 2.2.1 Globalization of the Indian Economy
- 2.3 Manifestation of Globalization
 - 2.3.1 Different Forms of Foreign Investment
 - 2.3.2 Government Policy towards Foreign Capital
 - 2.3.3 Policy Regarding Foreign Investment (1991)
- 2.4 Multinational Companies: Benefits and Problems
 - 2.4.1 Concentration in Specific Areas
 - 2.4.2 Historical Background
 - 2.4.3 Organizational Forms
- 2.5 Strategies in Globalization
 - 2.5.1 Obstacles to Globalization of Indian Companies
 - 2.5.2 Factors Encouraging Globalization of Indian Firms
 - 2.5.3 Globalization Strategies Followed by Indian Companies
- 2.6 WTO: Structure and Implication for India
- 2.7 Summary
- 2.8 Key Terms
- 2.9 Answers to 'Check Your Progress'
- 2.10 Questions and Exercises
- 2.11 Further Reading

UNIT 3 POLITICAL ENVIRONMENT

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 State Regulation—Nature, Extent and Reasons
- 3.3 Types of Interventions
- 3.4 Extent of Interventions
- 3.5 Need for Regulatory Codes
- 3.6 Problems of Control
- 3.7 Summary
- 3.8 Key Terms

3.9 Answers to 'Check Your Progress'

3.10 Questions and Exercises

3.11 Further Reading

UNIT 4 ECONOMIC ENVIRONMENT

4.0 Introduction

4.1 Unit Objectives

4.2 Nature of Economic Environment

4.2.1 Capitalism; 4.2.2 Socialism; 4.2.3 Mixed Economy

4.2.4 Economic Planning in India; 4.2.5 Instruments of Planning

4.3 Industrial Policies

4.4 Towards Privatization

4.5 Nature and Objectives of Privatization

4.6 Disinvestments in India

4.7 Arguments for and Against Privatization

4.8 Rangarajan Committee Report on Privatization

4.9 Disinvestment Commission

4.10 Summary

4.11 Key Terms

4.12 Answers to 'Check Your Progress'

4.13 Questions and Exercises

4.14 Further Reading

UNIT 5 SOCIAL-CULTURAL ENVIRONMENT

5.0 Introduction

5.1 Unit Objectives

5.2 Meaning of Social-Cultural Environment

5.3 Social Responsibilities of Business

5.3.1 New Management Philosophy

5.3.2 Need for Social Responsibilities

5.3.3 Responsibility of Business Towards Society

5.3.4 Ethics, Values and Business

5.3.5 Resolving Corporate and Socio-Economic Conflict

5.3.6 Sachar Committee's Suggestions

5.4 Nature of Social Responsibility

5.4.1 Causes of Growing Awareness for Social Responsibility

5.5 Models and Strategies of Social Responsibility

5.5.1 Hindrances to the Growth of Consumer Movement in India

5.6 Arguments for and Against Social Responsibility

5.7 Barriers to Social Responsibility

5.8 Approaches to Social Responsibility

5.8.1 Corporate Social Responsibility (CSR)

5.8.2 Narrow and Broad Views of CSR

5.9 Limits of Social Responsibility

5.10 Corporate Accountability

5.10.1 Pure Stakeholder Theory

5.11 Business and Society

5.12 Nature, Features and Benefit of Social Audit

5.12.1 Non-Quantifiable Cost-Benefits in Projects

5.13 Organizations for Social Audit

5.14 Social Audit in India

5.15 Corporate Governance Reforms in India

5.15.1 Naresh Chandra Committee on Corporate Audit and Governance

- 5.15.2 Kumar Mangalam Birla Committee on Corporate Governance
- 5.15.3 Narayana Murthy Committee on Corporate Governance
- 5.15.4 Reserve Bank of India (RBI) Advisory Group on Corporate Governance
- 5.15.5 FICCI Report on Corporate Governance
- 5.16 Corporate Governance as Law
- 5.17 Summary
- 5.18 Key Terms
- 5.19 Answers to 'Check Your Progress'
- 5.20 Questions and Exercises
- 5.21 Further Reading

UNIT 6 NATURAL ENVIRONMENT

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Nature of Physical Environment and the Impact of Business
- 6.3 Summary
- 6.4 Key Terms
- 6.5 Answers to 'Check Your Progress'
- 6.6 Questions and Exercises
- 6.7 Further Reading

MCOM13 --- Management Process of Organisational Behaviour

UNIT 1 EVOLUTION OF MANAGEMENT

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Evolution of Management as a Discipline
- 1.3 Significance of Management
- 1.4 Management Defined
- 1.5 Functions of Managers
 - 1.5.1 Planning
 - 1.5.2 Organizing
 - 1.5.3 Staffing
 - 1.5.4 Directing
 - 1.5.5 Controlling
- 1.6 Management as a Science and as an Art
- 1.7 Administration vs Management
- 1.8 Theories of Modern Management
 - 1.8.1 Taylor's Scientific Management Principles
 - 1.8.2 Fayol's Principles of Management
 - 1.8.3 Human Relations Approach
- 1.9 Drucker's Contribution to Management
- 1.10 Various Approaches to Management or Major Schools of Management Thought
- 1.11 Summary
- 1.12 Key Terms
- 1.13 Answers to 'Check Your Progress'
- 1.14 Questions and Exercises

UNIT 2 UNDERSTANDING BUSINESS ENTITIES

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Proprietary Ownership

- 2.2.1 Sole Proprietorship
- 2.2.2 Partnership
- 2.3 Private Limited Companies
 - 2.3.1 Characteristics of a Private Limited Company
 - 2.3.2 Special Privileges of a Private Limited Company
- 2.4 Public Limited Companies
 - 2.4.1 Differences between Private and Public Limited Companies
 - 2.4.2 Conversion of a Private Company into a Public Company
- 2.5 Public Sector Cooperatives
 - 2.5.1 Characteristics of Cooperative Organizations
 - 2.5.2 Classes of Cooperative Societies
 - 2.5.3 Formation of Cooperatives
 - 2.5.4 Advantages and Disadvantages of Cooperative Organizations
- 2.6 Multinational Corporations
 - 2.6.1 Historical Background
 - 2.6.2 Organizational Forms
 - 2.6.3 Operation of Multinational Companies in India
- 2.7 Global Corporations
- 2.8 Overview of Corporate Organization Hierarchy
 - 2.8.1 Structure of Corporate Organization Hierarchy
 - 2.8.2 Current Trends
- 2.9 Concepts of Vision, Mission and Objectives of a Corporation
 - 2.9.1 Corporate Vision
 - 2.9.2 Corporate Mission
 - 2.9.3 Corporate Objectives
- 2.10 Summary
- 2.11 Key Terms
- 2.12 Answers to 'Check Your Progress'
- 2.13 Questions and Exercises

UNIT 3 THE MANAGEMENT PROCESS

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Essentials of Planning
 - 3.2.1 Importance of Planning
 - 3.2.2 Advantages and Disadvantages of Planning
 - 3.2.3 Principles of Effective Planning
 - 3.2.4 Types of Plans
 - 3.2.5 Levels of Planning
- 3.3 Management by Objectives
 - 3.3.1 Meaning and Objectives
 - 3.3.2 Process
 - 3.3.3 Advantages and Disadvantages
 - 3.3.4 Suggestions for improving the Effectiveness of MBO
- 3.4 Decision-Making
 - 3.4.1 Factors affecting Decision-Making
 - 3.4.2 Steps in Decision-Making
- 3.5 Organizing
 - 3.5.1 Nature
 - 3.5.2 The Organization Process
- 3.6 Organizational Structure
 - 3.6.1 Benefits of a Good Organizational Structure

- 3.6.2 Types of Organizational Structures
- 3.7 Span of Control
 - 3.7.1 Span of Control and Levels of Organization
 - 3.7.2 Factors affecting Span of Control
 - 3.7.3 Limitations of Span of Management
- 3.8 Empowerment through Delegation and Decentralization
 - 3.8.1 Delegation
 - 3.8.2 Decentralization
- 3.9 Summary
- 3.10 Key Terms
- 3.11 Answers to 'Check Your Progress'
- 3.12 Questions and Exercises

UNIT 4 STAFFING, LEADING AND CONTROLLING

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Staffing
 - 4.2.1 Recruitment
 - 4.2.2 Selection
 - 4.2.3 Performance Appraisal
 - 4.2.4 Career Planning
- 4.3 Leading
 - 4.3.1 Formal and Informal Leadership
 - 4.3.2 Leadership Characteristics
 - 4.3.3 Theories of Leadership
 - 4.3.4 Leadership Styles
 - 4.3.5 Personal Characteristics of Leaders
 - 4.3.6 Leadership Committees
 - 4.3.7 Team or Group Decision-Making
- 4.4 Controlling
 - 4.4.1 The Controlling Process
 - 4.4.2 Essentials of Effective Control Systems
 - 4.4.3 Techniques of Control
 - 4.4.4 Impact of Information Technology on Control
 - 4.4.5 Preventive Control
- 4.5 Summary
- 4.6 Key Terms
- 4.7 Answers to 'Check Your Progress'
- 4.8 Questions and Exercises
- 4.9 References

UNIT 5 FUNCTIONAL AREAS OF MANAGEMENT

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Functional Areas of Management
 - 5.2.1 Marketing
 - 5.2.2 Finance
 - 5.2.3 Human Resource Management (HRM)
 - 5.2.4 Operations
 - 5.2.5 Systems
- 5.3 Strategic Management Approaches
 - 5.3.1 Ansoff's Strategic Success Paradigm
 - 5.3.2 Henry Mintzberg: Strategy as Craft

- 5.3.3 Peter Drucker's Contribution
- 5.3.4 Michael Porter: Strategy and Competitive Advantage
- 5.4 Entrepreneurship
 - 5.4.1 Defining Entrepreneurship
 - 5.4.2 Characteristics of Entrepreneurship
 - 5.4.3 Exploration of a Business Idea
 - 5.4.4 Estimating Financial Requirements and Risks
- 5.5 Contemporary Trends in Management
 - 5.5.1 Management by Restructuring
 - 5.5.2 Re-engineering
 - 5.5.3 Benchmarking
 - 5.5.4 Management by Wandering
 - 5.5.5 Managing for Excellence
- 5.6 Summary
- 5.7 Key Terms
- 5.8 Answers to 'Check Your Progress'
- 5.9 Questions and Exercises
- 5.10 References

MCOM14 --- MANAGERIAL ECONOMICS

UNIT 1 NATURE AND CONCEPT OF MANAGERIAL ECONOMICS

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Nature of Managerial Economics
 - 1.2.1 What is Economics?
 - 1.2.2 Scope of Economics
- 1.3 The Basic Problems of An Economy
 - 1.3.1 Meaning and Nature of Managerial Economics
 - 1.3.2 The Scope of Managerial Economics
- 1.4 Significance of Managerial Decision-Making
 - 1.4.1 Nature of Business Decision-Making
 - 1.4.2 Managerial Economics—Techniques and Business Decisions
- 1.5 Time Perspective in Business Decisions
 - 1.5.1 Role and Responsibility of a Managerial Economist
 - 1.5.2 Objectives of a Firm
- 1.6 Summary
- 1.7 Key Words
- 1.8 Answers to 'Check Your Progress'
- 1.9 Questions and Exercises
- 1.10 Further Reading/References

UNIT 2 FUNDAMENTAL LAWS OF MARKET: THE LAWS OF DEMAND AND SUPPLY

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Nature and Types of Demand
 - 2.2.1 Types of Demand
 - 2.2.2 Law of Demand
- 2.3 Law of Supply
 - 2.3.1 Goods and Services as Tangible and Non-Tangible
 - 2.3.2 Demand Elasticity
- 2.4 Point and Arc Elasticities of Demand

- 2.4.1 Determinants of Price Elasticity of Demand
- 2.4.2 Price Elasticity and Marginal Revenue
- 2.4.3 Cross Elasticity of Demand
- 2.4.4 Income Elasticity of Demand
- 2.4.5 Elasticity of Substitution
- 2.4.6 Consumer's Equilibrium
- 2.5 Indifference Curve Theory
 - 2.5.1 Properties of Indifference Curves
 - 2.5.2 Comparison of Cardinal and Ordinary Utility Approaches
 - 2.5.3 Techniques of Demand Estimation
 - 2.5.4 Income and Substitution Effects of Price Change on Inferior Goods
 - 2.5.5 Elasticity for Managerial Decision-Making
- 2.6 Summary
- 2.7 Key Words
- 2.8 Answers to 'Check Your Progress'
- 2.9 Questions and Exercises
- 2.10 Further Reading/References

UNIT 3 COST CURVES, MONOPOLY AND PRICING

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Short-Run and Long-Run Production Functions
 - 3.2.1 Laws of Production
 - 3.2.2 The Laws of Returns to Scale Through Production Function
 - 3.2.3 Cost Functions and Cost Curves
- 3.3 Line Cost Function
 - 3.3.1 Quadratic Cost Function
- 3.4 Short-Run and Long-Run Cost Curves and their Interrelationship
 - 3.4.1 Cost Curves and the Law of Diminishing Returns
 - 3.4.2 Long Run Cost-Output Relations
 - 3.4.3 Engineering Cost Curves
 - 3.4.4 Economies of Scale
- 3.5 Summary
- 3.6 Key Words
- 3.7 Answers to 'Check Your Progress'
- 3.8 Questions and Exercises
- 3.9 Further Reading/Reference

UNIT 4 MARKET STRUCTURE: PERFECT COMPETITION, MONOPOLY

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Equilibrium of Firm and Industry Under Perfect Competition
 - 4.2.1 Derivation of Supply Curve of the Firm
 - 4.2.2 Derivation of Supply Curve of the Industry
 - 4.2.3 Price and Output Determination Under Perfect Competition
 - 4.2.4 Price and Output Determination in the Long-Run
 - 4.2.5 Long-run Supply Curve of a Competitive Industry
- 4.3 Monopoly
 - 4.3.1 Demand and Revenue Curves Under Monopoly
 - 4.3.2 Cost and Supply Curves Under Monopoly
 - 4.3.3 Profit Maximization Under Monopoly
 - 4.3.4 Why the Absence of Supply Curve Under a Monopoly?
 - 4.3.5 Monopoly vs Perfect Competition: Comparison of Long-run Price and Output

4.3.6 Price Discrimination by Monopoly

4.3.7 Measures of Monopoly Power

4.4 Summary

4.5 Key Terms

4.6 Answers to 'Check Your Progress'

4.7 Questions and Exercises

4.8 Further Reading/References

UNIT 5 REVENUE MAXIMIZATION AND PRICING

5.0 Introduction

5.1 Unit Objectives

5.2 Strategies and Practices

5.2.1 Baumol's Theory of Sales Revenue Maximization

5.3 Basic Techniques of Average Cost Pricing

5.3.1 Peak Load Pricing

5.3.2 Limit Pricing

5.4 Multi-product Pricing

5.4.1 Pricing Strategies and Tactics

5.4.2 Pricing in Life Cycle of a Product

5.5 Pricing in Relation to Established Products

5.5.1 Competitive Bidding of Price

5.5.2 Transfer Pricing

5.6 Summary

5.7 Key Words

5.8 Answers to 'Check Your Progress'

5.9 Questions and Exercises

5.10 Further Reading/References

MCOM15 --- Project Management

UNIT 1 AN OVERVIEW OF PROJECT MANAGEMENT

1.0 Introduction

1.1 Unit Objectives

1.2 Concepts of Project

1.2.1 Characteristics of a Project

1.2.2 Types of Projects

1.3 Identification of Project Ideas

1.3.1 Importance of Projects

1.4 Factors Influencing a Project

1.5 Project as a System

1.6 Life Cycle of a System and a Project

1.6.1 The Conception/Formation Phase

1.6.2 The Definition/Build-Up Phase

1.6.3 The Acquisition/Production Phase

1.6.4 The Operation Phase

1.6.5 The Divestment/Termination Phase

1.7 Selection of a Project

1.7.1 Project Selection Models

1.8 Summary

1.9 Key Terms

1.10 Answers to 'Check Your Progress'

1.11 Questions and Exercises

1.12 Further Reading

UNIT 2 ENTREPRENEURSHIP AND INTRAPRENEURSHIP

2.0 Introduction

2.1 Unit Objectives

2.2 Generation of Project Management

2.2.1 Judgemental Process

2.2.2 Strategic Planning and Project Ideas

2.2.3 Creating the Environment

2.2.4 Classification of Projects

2.2.5 Organizational System for Processing Project Proposals

2.3 Portfolio Models of Planning

2.3.1 Portfolio Effect

2.3.2 Mathematical Calculations

2.3.3 Efficient Frontier

2.3.4 Optimum Portfolio

2.3.5 Minimum Risk Portfolio

2.3.6 Problems with Project Portfolio

2.4 Screening of Project Ideas

2.5 Market and Demand Analysis

2.5.1 General Economic Indicators

2.5.2 Situation Analysis

2.5.3 Demand Estimate

2.5.4 Supply Estimate

2.5.5 Estimating Demand–Supply Gap

2.6 Market Survey and Demand Forecasting

2.6.1 Pattern-Based Forecast

2.6.2 Causal Model-Based Forecast

2.7 Summary

2.8 Key Terms

2.9 Answers to ‘Check Your Progress’

2.10 Questions and Exercises

2.11 Further Reading

UNIT 3 PROJECT FEASIBILITY STUDIES

3.0 Introduction

3.1 Unit Objectives

3.2 Technical Feasibility

3.2.1 Technical Analysis

3.2.2 Identifying Critical Success Factors

3.3 Financial Feasibility

3.3.1 Basic Decisions

3.3.2 Estimate of the Cost of Project

3.3.3 Economic Analysis

3.3.4 Requirement of Long-Term Funds

3.3.5 Estimation of Working Capital Requirements

3.3.6 Project Cash Flow Statement and Balance Sheet

3.4 Summary

3.5 Key Terms

3.6 Answers to ‘Check Your Progress’

3.7 Questions and Exercises

3.8 Further Reading

UNIT 4 GOVERNMENT REGULATIONS

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Economic Reforms and Indian Industry
- 4.3 Official Machinery for Foreign Trade Procedures and Licensing
- 4.4 Export and Import Licensing and Documentation
 - 4.4.1 General Procedures for Exports at Factory
 - 4.4.2 Import Procedures
 - 4.4.3 Overview of Procedures for Import
 - 4.4.4 Submission of Bill of Entry
 - 4.4.5 Types of Bill of Entry
 - 4.4.6 Documents to be Submitted by Importer
 - 4.4.7 Noting of Bill of Entry
 - 4.4.8 Prior Submission of Bill of Entry
 - 4.4.9 Obtaining an Export License
- 4.5 Foreign Exchange Formalities
 - 4.5.1 Transactions Regulated by Exchange Control
 - 4.5.2 Object of the Manual
 - 4.5.3 Trade and Exchange Control
 - 4.5.4 Exemptions from Declarations
 - 4.5.5 Importer-Exporter Code Number
 - 4.5.6 Project Exports and Service Exports
 - 4.5.7 Exports under Trade Agreements/Rupee Credits
 - 4.5.8 Foreign Currency Accounts
 - 4.5.9 Protection Against Adverse Movement of Exchange Rates
- 4.6 Summary
- 4.7 Key Terms
- 4.8 Answers to 'Check Your Progress'
- 4.9 Questions and Exercises
- 4.10 Further Reading

UNIT 5 PROJECT APPRAISAL TECHNIQUES

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Project Appraisal Techniques
 - 5.2.1 Net Present Value; 5.2.2 Internal Rate of Return
 - 5.2.3 Profitability Index; 5.2.4 Payback Period
 - 5.2.5 Urgency Rating
 - 5.2.6 Accounting or Average Rate of Return
- 5.3 Risk Analysis in Capital Budgeting
 - 5.3.1 Sensitivity Analysis; 5.3.2 Scenario Analysis
 - 5.3.3 Simulation; 5.3.4 Decision Tree Analysis
- 5.4 Social Cost-Benefit Analysis
 - 5.4.1 Basics of Social Cost-Benefit Analysis
 - 5.4.2 SCBA in India
- 5.5 Capital Rationing
 - 5.5.1 Types of Capital Rationing
 - 5.5.2 Technical Meaning of Capital Rationing
 - 5.5.3 Cost of Capital and Capital Rationing
 - 5.5.4 Conflicting Goals and Capital Rationing

- 5.6 Summary
- 5.7 Key Terms
- 5.8 Answers to 'Check Your Progress'
- 5.9 Questions and Exercises
- 5.10 Further Reading

UNIT 6 EVALUATION OF PROJECTS

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Project Execution
- 6.3 Project Review
- 6.4 Monitoring and Control
 - 6.4.1 Key Areas of Monitoring
 - 6.4.2 Management Information System for Project Control
 - 6.4.3 Review Meetings and Reports
 - 6.4.4 Results of Review Meeting
 - 6.4.5 Earned Value Management
 - 6.4.6 Corrective Actions
- 6.5 Mid-Term Review
- 6.6 Project Reports: Preparation, Structure and Techniques of Presentation
 - 6.6.1 Types of Project Reports
 - 6.6.2 Project Completion Report
 - 6.6.3 Post-Completion Audit
 - 6.6.4 Project Report for Obtaining Finance
- 6.7 Summary
- 6.8 Key Terms
- 6.9 Answers to 'Check Your Progress'
- 6.10 Questions and Exercises
- 6.11 Further Reading

MCOM16 --- Management Information System

UNIT 1 INTRODUCTION TO MIS

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Definition, Role of MIS, Characteristics
- 1.3 Nature and Scope of MIS
 - 1.3.1 Characteristics of MIS; 1.3.2 Functions of MIS
- 1.4 Management Information Systems:
 - 1.4.1 Management; 1.4.2 Information; 1.4.3 System
- 1.5 Importance of Management Information Systems
 - 1.5.1 Limitations of Management Information Systems
- 1.6 MIS and Other Academic Disciplines
- 1.7 Structure of MIS
 - 1.7.1 Physical Components of MIS; 1.7.2 Information System Processing Functions
 - 1.7.3 Decision Support; 1.7.4 Levels of Management Activities
 - 1.7.5 Organizational Functions
- 1.8 Summary
- 1.9 Key Terms
- 1.10 Answers to 'Check Your Progress'
- 1.11 Questions and Exercises

1.12 Further Reading

Case Study

UNIT 2 INFORMATION SYSTEM CONCEPTS

2.0 Introduction

2.1 Unit Objectives

2.2 Concepts of Information - Nature of Information

2.2.1 Data and Information

2.2.2 Information Systems and Information Technology

2.3 Management of Information

2.3.1 Concept of Information as a Resource

2.3.2 Need for Information Management

2.3.3 Management of Information

2.4 Value and Cost of Information

2.4.1 Economic Dimension; 2.4.2 Business Dimension

2.4.3 Technical Dimension

2.5 Types of Information

2.5.1 Strategic Information; 2.5.2 Tactical Information

2.5.3 Operational Information

2.6 Quality of Information

2.7 Definition of Systems

2.7.1 What is a System?; 2.7.2 Characteristics of a System

2.7.3 System and Control

2.7.4 Types of Control

2.7.5 Some Basic Systems Ideas

2.8 The Systems Approach

2.8.1 Background of the Systems Approach

2.8.2 Applying the Systems Approach to Problem-Solving

2.9 Types of Systems

2.10 System Related Concepts

2.11 Elements of a System

2.12 Summary

2.13 Key Terms

2.14 Answers to 'Check Your Progress'

2.15 Questions and Exercises

2.16 Further Reading

Case Studies

UNIT 3 TYPES OF INFORMATION SYSTEM

3.0 Introduction

3.1 Unit Objectives

3.2 Classification of Management Information Systems

3.2.1 Transaction Processing System

3.2.2 Management Information System

3.2.3 Decision Support System

3.2.4 Executive Support System

3.2.5 Office Automation Systems

3.2.6 Business Expert Systems

3.3 Process Control System

3.4 Enterprise -Wide Information Systems

3.4.1 Mapping the EWIS

3.5 Formal and Informal Information System

3.6 Functional Information Systems

- 3.6.1 Functions of Management
- 3.7 Financial Information Systems
- 3.8 Marketing Information Systems
- 3.9 Operations Information Systems
- 3.10 Human Resource Information Systems
- 3.11 Summary
- 3.12 Key Terms
- 3.13 Answers to 'Check Your Progress'
- 3.14 Questions and Exercises
- 3.15 Further Reading

Case Study

UNIT 4 INFORMATION SYSTEM ANALYSIS AND DESIGN

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Planning Information System
 - 4.2.1 Hierarchy of Information Systems Plans
 - 4.2.2 Development Strategy for Information Systems
- 4.3 Planning Terminology
- 4.4 Nolan's Six Stage Model
- 4.5 Four Stage Model of Information System Planning
 - 4.5.1 Strategy Planning; 4.5.2 Information Requirement Analysis
 - 4.5.3 Resource Allocation; 4.5.4 Project Planning
- 4.6 Developing Information Systems
 - 4.6.1 Information System Building
- 4.7 System Development Cycle
 - 4.7.1 Traditional Life Cycle Models
- 4.8 System Design Concepts
 - 4.8.1 Design Principles; 4.8.2 Design Concepts
 - 4.8.3 Conceptual Design; 4.8.4 Design Methods
- 4.9 Detailed Design of System
- 4.10 Implementing Information System
 - 4.10.1 Implementation Tasks
- 4.11 Hardware and Software Acquisition
- 4.12 System Evaluation
- 4.13 System Testing
- 4.14 Documentation
- 4.15 System Maintenance
 - 4.15.1 Corrective Maintenance; 4.15.2 Adaptive Maintenance
 - 4.15.3 Perfective Maintenance
- 4.16 Information Resource Management
- 4.17 Summary
- 4.18 Key Terms
- 4.19 Answers to 'Check Your Progress'
- 4.20 Questions and Exercises
- 4.21 Further Reading

Case Studies

UNIT 5 SECURITY AND CONTROL ISSUES IN INFORMATIONS SYSTEMS

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 System Vulnerability and Abuse
 - 5.2.1 Why are Systems Vulnerable?

- 5.2.2 Concerns for System Builders and Users
- 5.2.3 Internet Hackers
- 5.2.4 System Quality Problems: Software and Data
- 5.3 Creating a Control Environment
- 5.3.1 General Controls and Application Controls
- 5.3.2 Protecting the Digital Firm
- 5.3.3 Developing a Control Structure: Cost and Benefits
- 5.3.4 The Role of Auditing in the Control Process
- 5.4 Ensuring the System Quality
- 5.4.1 Software Quality Assurance Methodologies and Tools
- 5.4.3 Data Quality Audit and Data Cleansing
- 5.5 Summary
- 5.6 Key Terms
- 5.7 Answers to 'Check Your Progress'
- 5.8 Questions and Exercises
- 5.9 Further Reading

UNIT 6 DATABASE MANAGEMENT

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Database Concepts
- 6.2.1 People Who Work with Databases
- 6.3 DBMS Architecture
- 6.3.1 Data Independence
- 6.4 Data model and design
- 6.4.1 The Hierarchical Data Model
- 6.4.2 The Network Data Model
- 6.4.3 The Relational Data Model
- 6.5 Types of Database
- 6.6 Advances in Database Technology
- 6.6.1 Object-Based Databases
- 6.6.2 Distributed Databases
- 6.6.3 Client/Server Databases
- 6.7 Data Security and Privacy
- 6.8 Summary
- 6.9 Key Terms
- 6.10 Answers to 'Check Your Progress'
- 6.11 Questions and Exercises
- 6.12 Further Reading

Case Studies

UNIT 7 THE INTERNET AND E-COMMERCE

- 7.0 Introduction
- 7.1 Unit Objectives
- 7.2 Getting Connected to the Internet
- 7.3 E-Mail and Groupware
- 7.3.1 E-mail
- 7.3.2 Groupware
- 7.4 Voice Mail and Fax
- 7.4.1 Voice Mail
- 7.4.2 Fax
- 7.5 Teleconferencing
- 7.5.1 Data Conferencing

- 7.5.2 Videoconferencing
- 7.6 Digital Information Service and Distance Learning
 - 7.6.1 Digital Information Services
 - 7.6.2 Distance Learning
- 7.7 Electronic Data Interchange
- 7.8 Enterprise Collaboration Systems
- 7.9 Website Management
- 7.10 Summary
- 7.11 Key Terms
- 7.12 Answers to 'Check Your Progress'
- 7.13 Questions and Exercises
- 7.14 Further Reading

YEAR II

MCOM21 --- Fundamentals Of Computers

UNIT 1: FUNDAMENTALS OF COMPUTERS

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 History of the Development of Computers
- 1.3 Concepts of Computer Systems
 - 1.3.1 Capabilities and Limitations of Computers
- 1.4 Generations of Computers
- 1.5 Types of Computers
 - 1.5.1 Analog
 - 1.5.2 Digital
 - 1.5.3 Hybrid
 - 1.5.4 General Purpose
 - 1.5.5 Special Purpose
 - 1.5.6 Micro, Mini, Mainframe and Supercomputers
 - 1.5.7 Personal Computers
- 1.6 Summary
- 1.7 Key Terms
- 1.8 Answers to 'Check Your Progress'
- 1.9 Questions and Exercises

UNIT 2: COMPUTER SOFTWARE

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Need for Software
- 2.3 Types of Software
- 2.4 System Software
 - 2.4.1 Operating Systems and its Types
 - 2.4.2 Loaders and Linkers
- 2.5 Application Software
 - 2.5.1 Word Processing
 - 2.5.2 Spreadsheet
 - 2.5.3 Presentation Graphics
 - 2.5.4 Database Management Software
- 2.6 Programming Languages

- 2.6.1 Machine Language
- 2.6.2 Assembly Language
- 2.6.3 High-Level Languages
- 2.6.4 4 GL and 5 GL
- 2.6.5 Merits and Demerits of various Programming Languages
- 2.6.6 Interpreter and Compiler
- 2.7 Computer Viruses
- 2.8 Summary
- 2.9 Key Terms
- 2.10 Answers to 'Check Your Progress'
- 2.11 Questions and Exercises

UNIT 3: COMPONENTS OF COMPUTER SYSTEMS

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Basic Components of Computer Systems
 - 3.2.1 Control Unit
 - 3.2.2 Memory
 - 3.2.3 Processors used in PCs
- 3.3 Input Devices
- 3.4 Output Devices
- 3.5 Storage Devices
- 3.6 Maintaining Computer Systems
- 3.7 Summary
- 3.8 Key Terms
- 3.9 Answers to 'Check Your Progress'
- 3.10 Questions and Exercises

UNIT 4: PC HARDWARE AND MAINTENANCE

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Introduction, Identification and Maintenance of the Hardware Components of a PC
- 4.3 Installation of Operating System
 - 4.3.1 Hard Disk Partitioning
- 4.4 Troubleshooting
- 4.5 Summary
- 4.6 Key Terms
- 4.7 Answers to 'Check Your Progress'
- 4.8 Questions and Exercises

UNIT 5: INTRODUCTION TO COMPUTER ORGANIZATION AND ARCHITECTURE

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Computer System Architecture
 - 5.2.1 Basic Functions of a Computer
 - 5.2.2 Functional Units of a Computer
 - 5.2.3 Bus Structures
 - 5.2.4 Bus Organization
 - 5.2.5 Multiple Bus Organization
 - 5.2.6 Instructions and Instruction Sequencing
- 5.3 Memory Organization
 - 5.3.1 Computer Memory
 - 5.3.2 Memory Hierarchy
 - 5.3.3 Main Memory

- 5.3.4 Auxiliary Memory
- 5.3.5 Cache Memory
- 5.3.6 Virtual Memory
- 5.4 Summary
- 5.5 Key Terms
- 5.6 Answers to 'Check Your Progress'
- 5.7 Questions and Exercises

MCOM22 --- Financial Services

UNIT 1 FINANCIAL SERVICES: AN OVERVIEW

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 Meaning, Scope and Kinds of Financial Services
- 1.3 Recent Developments: New Products and Players
 - 1.3.1 Systematic/Market Risks and Derivatives
 - 1.3.2 Exchange-Traded Funds and Gold Exchange-Traded Funds
- 1.4 Insurance—Life and Non-Life
- 1.5 Financial Services in India
 - 1.5.1 Financial Services and Economic Growth
 - 1.5.2 Challenges Facing the Financial Sector
- 1.6 Liberalization and Regulation of Financial Services Sector
- 1.7 Regulatory Authorities: RBI, SEBI and IRDA
- 1.8 Regulatory Framework for Financial Services: Legal Enactments in the Financial Service Sector
- 1.9 The Challenges of Financial Services Marketing
- 1.10 The Objectives of Financial Services Marketing and Activities Involved
- 1.11 The Effect of Environmental Factors on the Financial Service Provider (FSP)
- 1.12 Significant Changes in the Marketing Approach of FSFS
- 1.13 Types of Marketing Strategies in Financial Services
- 1.14 The Retail Boom in India: Implications on the Financial Services Industry
- 1.15 Summary
- 1.16 Key Terms
- 1.17 Answers to 'Check Your Progress'
- 1.18 Questions and Exercises
- 1.19 Further Reading

UNIT 2 MERCHANT BANKING AND INVESTMENT BANKING

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Investment Banking
- 2.3 Merchant Banking
- 2.4 Summary
- 2.5 Key Terms
- 2.6 Answers to 'Check Your Progress'
- 2.7 Questions and Exercises
- 2.8 Further Reading

UNIT 3 OTHER SERVICES

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Project Appraisal
 - 3.2.1 Technical Feasibility and Financial Viability:

- Project Cost and Means of Financing
- 3.3 Syndication of Loans and Leases
- 3.4 Issue Management
- 3.5 Share Buyback: Guidelines
- 3.6 Substantial Acquisition and Takeover
- 3.7 Negotiated and Hostile Takeovers
- 3.8 Consultancy—Examples
- 3.9 Summary
- 3.10 Key Terms
- 3.11 Answers to ‘Check Your Progress’
- 3.12 Questions and Exercises
- 3.13 Further Reading

UNIT 4 CREDIT RATING

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Credit Rating in India: Methodology and Process
 - 4.2.1 Concept of Credit Rating
 - 4.2.2 Need for Credit Rating
 - 4.2.3 Essentials of Credit Rating Services
 - 4.2.4 Features of Rating in India
 - 4.2.5 Indian and Global Rating Agencies
 - 4.2.6 Interpretation of Rating
 - 4.2.7 Long-Term Rating Symbols—Acceptable Ratings
 - 4.2.8 Example of Rating of Security and Not Company
 - 4.2.9 Risk Return Profile and Cost Implications of Various Ratings
 - 4.2.10 Example of Credit Enhancement: Guarantee, Escrow Mechanism
 - 4.2.11 Example of Securitization as a Means of Credit Enhancement
 - 4.2.12 Structured Obligations
 - 4.2.13 IPO Grading—Usefulness and Grades
 - 4.2.14 Rating of Mutual Funds—Long-Term and Short-Term Debt Funds
 - 4.2.15 Rating of SMEs—Enterprise Rating
- 4.3 New Credit Rating Paradigms Under Basel II Norms
- 4.4 Summary
- 4.5 Key Terms
- 4.6 Answers to ‘Check Your Progress’
- 4.7 Questions and Exercises
- 4.8 Further Reading

UNIT 5 LEASE FINANCING AND FACTORING

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Leasing: Theoretical Framework
 - 5.2.1 Nature of Lease Financing
 - 5.2.2 Advantages of Leasing
 - 5.2.3 Types of Lease Arrangements
 - 5.2.4 Lease Financing Vis-a-vis Lessee and Lessor’s Perspectives
 - 5.2.5 Development of Leasing in the Indian Scenario
 - 5.2.6 Theoretical and Regulatory Framework
 - 5.2.7 Lease Financing vs Hire Purchase Financing
 - 5.2.8 Accounting and Tax Aspect
- 5.3 Concept of Factoring
 - 5.3.1 Factoring as Financing Arrangement

- 5.3.2 Stages in a Factoring Deal
- 5.3.3 Advantages of Factoring
- 5.3.4 Undisclosed and Disclosed Factoring
- 5.3.5 'Without Recourse' and 'With Recourse' Factoring
- 5.3.6 Types of Factoring Services
- 5.3.7 Limitations of Factoring
- 5.3.8 Recommendations of C.S. Kalyan Sundaram Committee Set up on 28 January 1988
- 5.3.9 Comparison of Factoring and Credit Insurance
- 5.4 Forfaiting
- 5.4.1 Comparison of Factoring and Forfaiting
- 5.4.2 Mechanics of Forfaiting
- 5.4.3 Costs Involved in Forfaiting Transactions
- 5.5 Comparison of Factoring and Bill Discounting
- 5.6 Future Possibilities
- 5.7 Summary
- 5.8 Key Terms
- 5.9 Answers to 'Check Your Progress'
- 5.10 Questions and Exercises
- 5.11 Further Reading

UNIT 6 VENTURE CAPITAL

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Concept and Features of Venture Capital
- 6.3 Criteria for Analysing Venture Capital Proposals
- 6.4 Sources of Venture Capital and Modes of Financing VCVS
- 6.4.1 Venture Capital Partnership
- 6.5 Valuation of a VCU
- 6.5.1 Structuring of a VC Deal
- 6.6 The Indian Scenario
- 6.6.1 Some Venture Capital Firms in India
- 6.6.2 Problems and Shortcomings in Venture Capital
- 6.7 Summary
- 6.8 Key Terms
- 6.9 Answers to 'Check Your Progress'
- 6.10 Questions and Exercises
- 6.11 Further Reading

UNIT 7 CREDIT CARDS

- 7.0 Introduction
- 7.1 Unit Objectives
- 7.2 The Role of 'Plastic Cards'
- 7.3 ATM Card
- 7.4 Debit Card and Credit Card
- 7.4.1 Universal Standards
- 7.4.2 Membership Organizations
- 7.4.3 Co-branding of Credit Cards
- 7.4.4 Card Charges
- 7.5 The Pressure on Service Providers
- 7.6 RBI Guidelines on Credit Card Operations
- 7.7 Credit Card Fraud and Security Systems
- 7.8 Summary
- 7.9 Key Terms

7.10 Answers to 'Check Your Progress'

7.11 Questions and Exercises

7.12 Further Reading

UNIT 8 SECURITIZATION OF DEBT

8.0 Introduction

8.1 Unit Objectives

8.2 Debt Securitization

8.2.1 Parties Involved in a Debt Securitization Deal

8.2.2 The Advent of Securitization in the Global Financial Scenario

8.2.3 Advantages of Securitization

8.2.4 The Process of Securitization

8.3 Rating of Securities Issued by a Special Purpose Vehicle

8.3.1 Economic Functions of Securitization

8.3.2 Limitations of Securitization

8.3.3 Securitization and Capital Markets

8.4 Securitization in India

8.4.1 Areas of Concern in Securitization in India

8.4.2 Some Global Experiments

8.5 Summary

8.6 Key Terms

8.7 Answers to 'Check Your Progress'

8.8 Questions and Exercises

8.9 Further Reading

UNIT 9 PRICING OF FINANCIAL SERVICES

9.0 Introduction

9.1 Unit Objectives

9.2 Pricing of Financial Services

9.2.1 Modes of Pricing Fund-Based and Fee-Based Financial Services

9.2.2 Pricing of Loans

9.3 Effects of Market Movements on a Bank's Cost of Funds

9.4 Pricing of Credit Card Service

9.5 Equated Monthly Instalments (EMI)

9.6 Determination of Fees in the Factoring Service

9.7 Summary

9.8 Key Terms

9.9 Answers to 'Check Your Progress'

9.10 Questions and Exercises

9.11 Further Reading

MCOM23 --- Financial Management

UNIT 1 INTRODUCTION TO FINANCIAL MANAGEMENT

1.0 Introduction

1.1 Unit Objectives

1.2 Nature and Scope of Finance Function

1.2.1 Meaning of Business Finance

1.2.2 Meaning of Financial Management

1.3 Significance of the Finance Function

1.3.1 Organization of Finance Department

1.4 Objectives of Financial Management

- 1.5 Financial Analysis, Interpretation and Planning
 - 1.5.1 Meaning and Types of Financial Statements
 - 1.5.2 Nature of Financial Statements
 - 1.5.3 Limitations of Financial Statements
 - 1.5.4 Analysis and Interpretation of Financial Statements
 - 1.5.5 Steps Involved in Financial Statements Analysis
 - 1.5.6 Financial Planning
- 1.6 Summary
- 1.7 Key Terms
- 1.8 Answers to 'Check Your Progress'
- 1.9 Questions and Exercises
- 1.10 Further Reading

UNIT 2 RATIO ANALYSIS

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Classification of Ratios
- 2.3 Profitability Ratios
- 2.4 Turnover Ratios
- 2.5 Financial Ratios
- 2.6 Advantages and Limitations of Ratio Analysis
 - 2.6.1 Advantages of Ratio Analysis
 - 2.6.2 Limitations of Ratio Analysis
- 2.7 Summary
- 2.8 Key Terms
- 2.9 Answers to 'Check Your Progress'
- 2.10 Questions and Exercises
- 2.11 Further Reading

UNIT 3 FUNDS FLOW AND CASH FLOW ANALYSIS

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Funds Flow Analysis
 - 3.2.1 Meaning of Funds Flow Statement
 - 3.2.2 Uses of Funds Flow Statement
 - 3.2.3 Preparation of Funds Flow Statement
 - 3.2.4 Computation of Funds from Operations
 - 3.2.5 Comprehensive Funds Flow Statements
- 3.3 Cash Flow Analysis
 - 3.3.1 Meaning of Cash Flow Statement
 - 3.3.2 Preparation of Cash Flow Statement
 - 3.3.3 Computation of Cash from Operating Activities
 - 3.3.4 AS-3 (Revised) and Cash Flow Statement
 - 3.3.5 Difference between Cash Flow Analysis and Funds Flow Analysis
 - 3.3.6 Utility of Cash Flow Analysis
 - 3.3.7 Limitations of Cash Flow Analysis
- 3.4 Summary
- 3.5 Key Terms
- 3.6 Answers to 'Check Your Progress'
- 3.7 Questions and Exercises
- 3.8 Practical Problems
- 3.9 Further Reading

UNIT 4 MANAGEMENT OF WORKING CAPITAL

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Working Capital
 - 4.2.1 Concept of Working Capital
 - 4.2.2 Need for Working Capital
 - 4.2.3 Types of Working Capital
 - 4.2.4 Adequacy of Working Capital
 - 4.2.5 Management of Working Capital
- 4.3 Management of Cash
- 4.4 Cash Management Models
- 4.5 Financial Distress and Insolvency
- 4.6 Management of Inventories
- 4.7 Management of Accounts Receivable and Payable
 - 4.7.1 Management of Accounts Receivable
 - 4.7.2 Management of Accounts Payable
- 4.8 Summary
- 4.9 Key Terms
- 4.10 Answers to 'Check Your Progress'
- 4.11 Questions and Exercises
- 4.12 Practical Problems
- 4.13 Further Reading

UNIT 5 CAPITAL BUDGETING AND SOURCES OF FINANCE

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Capital Budgeting Process
 - 5.2.1 Importance of Capital Budgeting
 - 5.2.2 Types of Capital Investment Proposals
 - 5.2.3 Factors Affecting Capital Investment Decisions
 - 5.2.4 Capital Budgeting Appraisal Methods
- 5.3 Sources of Finance
 - 5.3.1 Classification of Source of Finance
 - 5.3.2 Security Financing
 - 5.3.3 Debentures
 - 5.3.4 Purchase or Buy-back Own Securities
 - 5.3.5 Internal Financing
 - 5.3.6 Loan Financing
 - 5.3.7 New Financial Institutions and Instruments
- 5.4 Cost of Capital
 - 5.4.1 Classification of Cost of Capital
 - 5.4.2 Controversy Regarding Cost of Capital
 - 5.4.3 Assumptions under *MM* Approach
- 5.5 Determination of Cost of Capital
- 5.6 Summary
- 5.7 Key Terms
- 5.8 Answers to 'Check Your Progress'
- 5.9 Questions and Exercises
- 5.10 Further Reading

UNIT 6 DIVIDEND POLICY

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Dividend
 - 6.2.1 Meaning of Dividend
 - 6.2.2 Nature of Dividend Decision
 - 6.2.3 Forms of Dividend
- 6.3 Conflicting Theories
- 6.4 Dividend Policy
- 6.5 Bonus Shares
- 6.6 Summary
- 6.7 Key Terms
- 6.8 Answers to 'Check Your Progress'
- 6.9 Questions and Exercises
- 6.10 Practical Problems
- 6.11 Further Reading

UNIT 7 FINANCIAL AND OPERATING LEVERAGES AND CAPITAL STRUCTURE

- 7.0 Introduction
- 7.1 Unit Objectives
- 7.2 Financial and Operating Leverages
 - 7.2.1 Significance of Operating and Financial Leverages
- 7.3 Capital Structure
 - 7.3.1 Patterns of Capital Structure
 - 7.3.2 Optimum Capital Structure
 - 7.3.3 Capital Structure Theories
- 7.4 Summary
- 7.5 Key Terms
- 7.6 Answers to 'Check Your Progress'
- 7.7 Questions and Exercises
- 7.8 Further Reading

UNIT 8 MISCELLANEOUS TOPICS

- 8.0 Introduction
- 8.1 Unit Objectives
- 8.2 Financial Management of Sick Units
 - 8.2.1 Government of India and the Sick Units
 - 8.2.2 RBI Guidelines in Respect of Sick SSI Units
- 8.3 Economic Value Added (EVA)
- 8.4 Social Accounting
 - 8.4.1 Reporting of Social Cost Benefit Information
- 8.5 Corporate Governance
- 8.6 Summary
- 8.7 Key Terms
- 8.8 Answers to 'Check Your Progress'
- 8.9 Questions and Exercises
- 8.10 Further Reading

MCOM24 --- Strategic Management

UNIT 1 INTRODUCTION TO STRATEGIC MANAGEMENT

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 The Concept of Strategic Management
 - 1.2.1 Characteristics of Strategic Management
 - 1.2.2 Difference Between Operational Efficiency and Strategy
- 1.3 Business Policy as a Field of Study
 - 1.3.1 Dimensions of Strategic Decisions
 - 1.3.2 Levels of Strategic Decisions
- 1.4 The Strategic Management Process
- 1.5 Summary
- 1.6 Key Terms
- 1.7 Answers to 'Check Your Progress'
- 1.8 Questions and Exercises
- 1.9 Further Reading

UNIT 2 COMPONENTS OF STRATEGIC MANAGEMENT

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Strategy Implementation: Resource Allocation
 - 2.2.1 Differentiation and Integration
 - 2.2.2 Resource Allocation
- 2.3 Projects and Procedural Issues
- 2.4 Organization Structure and Systems in Strategy Implementation
 - 2.4.1 Growth Patterns of Large Corporations
 - 2.4.2 Simple, Functional, Divisional and Matrix Structures
- 2.5 Leadership and Corporate Culture, Values, Ethics and Social Responsibility
 - 2.5.1 Leadership: Three Interdependent Activities
 - 2.5.2 Overcoming Barriers to Change and Effective Use of Power
 - 2.5.3 Emotional Intelligence: A Key Leadership Trait
 - 2.5.4 Value Creation and Role of Strategic Leadership
 - 2.5.5 Developing a Learning Organization
 - 2.5.6 Creating an Ethical Organization
 - 2.5.7 Integrity-Based vs Compliance-Based Approaches to Organizational Ethics
 - 2.5.8 Business Ethics
- 2.6 Operational and Derived Functional Plans to Implement Strategy
 - 2.6.1 Location of Manufacturing Facility
 - 2.6.2 Technology
 - 2.6.3 Customization and Cost Efficiency
 - 2.6.4 Product
 - 2.6.5 Global Sourcing
 - 2.6.6 Logistics Management in MNCs
 - 2.6.7 Global Supply Chain Management (GSCM)
 - 2.6.8 Transfer of Knowledge from Home Country to Host Country
 - 2.6.9 Unleashing Innovation in Subsidiaries
- 2.7 Integration of Functional Plans
 - 2.7.1 Significance of Policies in Reinforcing Functional Plans
- 2.8 Vision

- 2.9 Mission
- 2.10 Objectives and Policies
 - 2.10.1 Objectives: Annual, Short Term and Long Term
 - 2.10.2 Business Policies
- 2.11 Summary
- 2.12 Key Terms
- 2.13 Answers to 'Check Your Progress'
- 2.14 Questions and Exercises
- 2.14 Further Reading

Case Studies

UNIT 3 ENVIRONMENTAL ANALYSIS

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Environmental Analysis
 - 3.2.1 PESTEL Framework
 - 3.2.2 Scenario Analysis/Planning
- 3.3 SWOT Analysis
- 3.4 Impact Matrices
- 3.5 Experience Curve
- 3.6 Summary
- 3.7 Key Terms
- 3.8 Answers to 'Check Your Progress'
- 3.9 Questions and Exercises
- 3.10 Further Reading

Case Study

Indian Example

UNIT 4 CORPORATE LEVEL STRATEGY

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Corporate Centres: What they Try To Do and How?
- 4.3 Rationale for Creating or Capturing Value
- 4.4 Different Roles of Corporate Centres
- 4.5 BCG Growth-Share Matrix
- 4.6 GE Nine-Cell Planning Grid
- 4.7 Product–Market Matrix
- 4.8 Hofer's Product–Market Evolution
- 4.9 Shell's Directional Policy Matrix (DPM) Model
- 4.10 Arthur D. Little Life Cycle Approach
 - 4.10.1 Application of Life Cycle Approach
- 4.11 Industry Analysis
- 4.12 Summary
- 4.13 Key Terms
- 4.14 Answers to 'Check Your Progress'
- 4.15 Questions and Exercises
- 4.16 Further Reading

Case Studies

UNIT 5 STRATEGIC PROFILE OF A FIRM

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Concept of Value Chain
 - 5.2.1 Primary Activities

- 5.2.2 Support Activities
- 5.3 Strategic Leadership
- 5.4 Strategic Entrepreneurship
- 5.5 Strategy Evaluation and Control
 - 5.5.1 Premise Control
 - 5.5.2 Implementation Control
 - 5.5.3 Strategic Surveillance
 - 5.5.4 Special Alert Control
- 5.6 Strategy and Technology Management
 - 5.6.1 First Mover Advantages and Disadvantages
 - 5.6.2 Acquisition and Absorption of Technology: Licensing of Technology
- 5.7 Summary
- 5.8 Key Terms
- 5.9 Answers to 'Check Your Progress'
- 5.10 Questions and Exercises
- 5.11 Further Reading

Case Studies

UNIT 6 FRAMEWORK FOR ANALYZING COMPETITION

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Competitive Advantage of a Firm
- 6.3 Global Strategy
- 6.4 Acquisition, Restructuring and Cooperative Strategies
 - 6.4.1 Blueprint for Integrating Acquisitions
 - 6.4.2 Corporate Restructuring
- 6.5 Tailoring Strategies to Fit Specific Industry
- 6.6 Summary
- 6.7 Key Terms
- 6.8 Answers to 'Check Your Progress'
- 6.9 Questions and Exercises
- 6.10 Further Reading

Case Studies

UNIT 7 OPERATIONAL, MARKETING, FINANCIAL AND HUMAN RESOURCE STRATEGIES

- 7.0 Introduction
- 7.1 Unit Objectives
- 7.2 Operational Strategy
 - 7.2.1 Location of Manufacturing Facility
 - 7.2.2 Global Sourcing
 - 7.2.3 Logistics Management in MNCs
 - 7.2.4 Global Supply Chain Management (GSCM)
- 7.3 Marketing Strategy
 - 7.3.1 Product
 - 7.3.2 Distribution
 - 7.3.3 Pricing
 - 7.3.4 Distribution Structure
 - 7.3.5 Promotion
 - 7.3.6 Barriers to International Communication
- 7.4 Human Resource Strategy
 - 7.4.1 Types of Staffing Policy
 - 7.4.2 Employing Expatriates
 - 7.4.3 Training and Development

- 7.4.4 Performance Appraisal in Subsidiaries
- 7.4.5 Domestic HR Strategies pursued in Subsidiaries
- 7.4.6 Subsidiaries' Autonomy in Decision-Making
- 7.4.7 Labour Relations
- 7.5 Financial Management Strategy
- 7.5.1 Foreign Exchange
- 7.5.2 Meaning of Currency Risk
- 7.5.3 Exposure – Meaning and Types
- 7.5.4 Currency Risk Management Alternatives
- 7.5.5 Corporate Response to Exchange Rate Fluctuations
- 7.6 Summary
- 7.7 Key Terms
- 7.8 Questions and Exercises
- 7.9 Further Reading
- Indian Example

MCOM25 --- Direct Taxes, Law And Practice

UNIT 1 INCOME TAX LAW IN INDIA

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 A Brief History
- 1.3 Basic Concepts
- 1.3.1 Assessment Year
- 1.3.2 Previous Year
- 1.3.3 Person
- 1.3.4 Assessee and Deemed Assessee
- 1.3.5 Income
- 1.3.6 Gross Total Income and Total Income
- 1.3.7 Agricultural Income
- 1.3.8 Average Rate
- 1.3.9 Maximum Marginal Rate
- 1.4 Capital and Revenue
- 1.4.1 Capital Receipts vs Revenue Receipts
- 1.4.2 Capital Expenses vs Revenue Expenses
- 1.4.3 Capital Losses vs Revenue Losses
- 1.5 Summary
- 1.6 Key Terms
- 1.7 Answers to 'Check Your Progress'
- 1.8 Questions and Exercises
- 1.9 Further Reading

UNIT 2 RESIDENTIAL STATUS AND TAX INCIDENCE

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 General Norms
- 2.3 Residential Status of Individual
- 2.4 Residential Status of HUF, Firm, AOP
- 2.5 Residential Status of a Company
- 2.6 Residential Status and Incidence of Tax
- 2.7 Summary

- 2.8 Key Terms
- 2.9 Answers to 'Check Your Progress'
- 2.10 Questions and Exercises
- 2.11 Further Reading

UNIT 3 INCOMES EXEMPT FROM TAX

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Exempted Incomes
- 3.3 Income Exempt Under Section 10
- 3.4 Income Exempt Under Section 13A
- 3.5 Summary
- 3.6 Key Terms
- 3.7 Answers to 'Check Your Progress'
- 3.8 Questions and Exercises
- 3.9 Further Reading

UNIT 4 INCOME FROM SALARIES

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Basis of Charge and Chargeability of Salary
- 4.3 Important Points Regarding Income From Salaries
- 4.4 Meaning of Salary
- 4.5 Scope of Salary
 - 4.5.1 Basic Salary
- 4.6 Profits in Lieu of Salary
- 4.7 Taxability of Allowances
 - 4.7.1 Taxability of House Rent Allowance
- 4.8 Perquisite
 - 4.8.1 Taxable Perquisites
 - 4.8.2 Tax-Free Perquisites
- 4.9 Valuation of Perquisites
- 4.10 Provident Fund
- 4.11 Allowable Deductions 'Under the Head Salaries'
- 4.12 Illustrations
- 4.13 Summary
- 4.14 Key Terms
- 4.15 Answers to 'Check Your Progress'
- 4.16 Questions and Exercises
- 4.17 Further Reading

Appendix

UNIT 5 INCOME FROM HOUSE PROPERTY

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Constituents of Income from House Property
- 5.3 Non-constituents of Income from House Property
- 5.4 Annual Value
- 5.5 Ownership of Property
- 5.6 Self-Occupied Property
- 5.7 Deductions from Income from House Property
- 5.8 Subsequent Receipt of Unrealized Rent
- 5.9 Receipt of Arrears of Rent
- 5.10 Property Owned by Co-owners

- 5.11 Loss from House Property
- 5.12 Illustrations
- 5.13 Summary
- 5.14 Key Terms
- 5.15 Answers to 'Check Your Progress'
- 5.16 Questions and Exercises
- 5.17 Further Reading

Appendices

UNIT 6 PROFITS AND GAINS FROM BUSINESS AND PROFESSION

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Income Chargeable Under the Head 'Profits and Gains'
 - 6.2.1 Deduction of Expenses from Gross Profits and Gains
 - 6.2.2 Deductions Generally Allowed
 - 6.2.3 Deductions not Generally Allowed
 - 6.2.4 Deductions not Allowed in Certain Circumstances
 - 6.2.5 Deductions Allowed only on Actual Payment
- 6.3 Rent, Rates, Taxes, Repairs and Insurance
 - 6.3.1 Repairs and Insurance of Certain Assets
- 6.4 Depreciation
- 6.5 Expenditure on Scientific Research
 - 6.5.1 Amortization of Certain Preliminary Expenses
 - 6.5.2 Refund or Recovery of Expenses Allowed Earlier
- 6.6 Capital Expenditure vs Revenue Expenditure
 - 6.6.1 Presumptive Taxation
 - 6.6.2 Methods of Accounting
- 6.7 Summary
- 6.8 Key Terms
- 6.9 Answers to 'Check Your Progress'
- 6.10 Questions and Exercises
- 6.11 Further Reading

Appendix

UNIT 7 CAPITAL GAINS

- 7.0 Introduction
- 7.1 Unit Objectives
- 7.2 Capital Gains: Meaning and Overview
 - 7.2.1 What is Chargeable Under Capital Gains
 - 7.2.2 Meaning of Capital Asset
 - 7.2.3 Types of Capital Assets
 - 7.2.4 Meaning of 'Transfer' in Relation to Capital Asset
 - 7.2.5 Transactions not Regarded as Transfer
 - 7.2.6 Mode of Computation of Capital Gains
 - 7.2.7 Expenditure Incurred on Transfer of a Capital Asset
- 7.3 Cost of Acquisition of the Asset
 - 7.3.1 Notional Cost of Acquisition of the Asset
 - 7.3.2 Cost of Improvement
 - 7.3.3 Cost Inflation Index
 - 7.3.4 Provisions Relating to Depreciable Assets
 - 7.3.5 Capital Gains in Cases of Compulsory Acquisition
 - 7.3.6 Reference to Valuation Officer
 - 7.3.7 Full Value of Consideration Received

7.4 Computation of Long Term Capital Gains Tax

7.4.1 Exemptions from Capital Gains Taxation

7.5 Illustrations

7.6 Summary

7.7 Key Terms

7.8 Answers to 'Check Your Progress'

7.9 Questions and Exercises

7.10 Further Reading

UNIT 8 INCOME FROM OTHER SOURCES

8.0 Introduction

8.1 Unit Objectives

8.2 Constituents of Income from Other Sources

8.3 Deductions from Income from Other Sources

8.4 Amounts not Deductible from Other Sources (Section 58)

8.5 Method of Accounting

8.6 Grossing Up of Interest

8.7 Taxation of Gifts

8.8 Illustrations

8.9 Summary

8.10 Key Terms

8.11 Answers to 'Check Your Progress'

8.12 Questions and Exercises

8.13 Further Reading

Appendices

UNIT 9 CLUBBING OF INCOME AND DEEMED INCOMES

9.0 Introduction

9.1 Unit Objectives

9.2 Clubbing of Incomes and Deemed Incomes

9.3 Rebate of Income Tax

9.4 Summary

9.5 Key Term

9.6 Answers to 'Check Your Progress'

9.7 Questions and Exercises

9.8 Further Reading

UNIT 10 SET OFF AND CARRY FORWARD OF LOSSES 159-176

10.0 Introduction

10.1 Unit Objectives

10.2 Introduction to Set Off and Carry Forward of Losses

10.3 Provisions Relating to Carry Forward and Set-Off of Losses

10.3.1 Set Off of Loss from One Source against Income from Another Source under the Same Head of Income

10.3.2 Set Off of Loss from One Head against Income from Another

10.3.3 Transitional Provisions for Set Off of Loss under the Head 'Income from House Property'

10.3.4 Carry Forward and Set Off of Loss from House Property

10.3.5 Carry Forward and Set Off of Business Losses (Section 72)

10.3.6 Loss from Speculation Business

10.3.7 Carry Forward and Set Off of Losses in Case of Change in Constitution of Firm or on Succession

10.3.8 Carry Forward and Set Off of Losses in the Case of Certain Companies

10.4 Illustrations

10.5 Summary

10.6 Key Terms

10.7 Answers to 'Check Your Progress'

10.8 Questions and Exercises

10.9 Further Reading

Appendices

UNIT 11 TAX PLANNING, MANAGEMENT AND DEDUCTIONS IN INCOME

11.0 Introduction

11.1 Unit Objectives

11.2 Tax Management with Reference to Location and Nature of New Business

11.2.1 Location of New Business

11.2.2 Nature of New Business

11.3 Tax Management with Reference to Deemed Dividend

11.3.1 Sec. 2(22)(a): Distribution Entailing Release

11.3.2 Sec. 2(22)(b): Distribution by Way of Debenture

11.3.3 Sec. 2(22)(c): Distribution to Shareholders on Liquidation

11.3.4 Sec. 2(22)(d): Distribution on Reduction of Capital

11.3.5 Sec. 2(22)(e): Payment by Way of Advance or Loan to Shareholders

11.3.6 Tax Planning through Issue of Bonus Shares

11.3.7 Tax Planning through Purchase of Own Shares or Distribution of Dividend

11.4 Tax Management with Reference to Lease or Buy Decisions

11.5 Tax Management with Reference to Repair, Replacement and Make or Buy Decisions

11.5.1 Repair, Replacement, Renewal or Renovation

11.5.2 'Make or Buy' Decisions

11.6 Sec. 46: Capital Gains on Distribution of Assets on Liquidation

11.7 Sale of Scientific Research Assets

11.8 Tax Management with Reference to Capital Structure

11.8.1 Capital Structure Decisions

11.8.2 Tax Considerations

11.8.3 Tax Planning

11.9 Conversion of Firm/Sole Proprietorship into Company

11.9.1 Sec. 47(xiii): Conversion of Firm into Company

11.9.2 Sec. 47(xiv): Conversion of Sole Proprietorship into Company

11.9.3 Sec. 72A(6): Carry Forward and Set-off of Accumulated Loss and Unabsorbed Depreciation Allowance in Case of Succession

11.9.4 Sec. 47A(3): Withdrawal of Exemption

11.10 Tax Planning, Tax Avoidance and Tax Evasion

11.10.1 Tax Planning

11.10.2 Tax Avoidance

11.10.3 Tax Evasion

11.10.4 Difference between 'Tax Planning' and 'Tax Management'

11.10.5 Difference between 'Tax Avoidance' and 'Tax Evasion'

11.11 Deductions to be Made in Computing Income Tax

11.11.1 Specified Savings and Life Insurance Premia

11.11.2 Contribution to Pension Funds

11.11.3 Medical Insurance Premium

11.11.4 Maintenance and Medical Treatment of a Disabled, Dependant Person

11.11.5 Medical Treatment

11.11.6 Interest on Loan taken for Higher Education

11.11.7 Donations for Charitable Purposes

11.11.8 Payment of House Rent

11.11.9 Entities Engaged in Infrastructure Development

11.11.10 Entities Engaged in Business Other than Infrastructure Development

11.11.11 Entities Engaged in the Development of SEZ

- 11.11.12 Entities Located in Certain States
- 11.11.13 Entities Engaged in Collecting and Processing Biodegradable Waste
- 11.11.14 Employment of New Workmen
- 11.11.15 Royalty on Patents
- 11.12 Summary
- 11.13 Key Terms
- 11.14 Answers to 'Check Your Progress'
- 11.15 Questions and Exercises
- 11.16 Further Reading

UNIT 12 INCOME TAX RETURN, ASSESSMENT OF INDIVIDUAL AND HUF

- 12.0 Introduction
- 12.1 Unit Objectives
- 12.2 Permanent Account Number (PAN)
- 12.3 Income Tax Return
 - 12.3.1 Form of Income Tax Return
 - 12.3.2 Due Dates for Filing Income Tax Returns
 - 12.3.3 Types of Income Tax Returns
- 12.4 Payment of Tax
 - 12.4.1 Deduction of Tax at Source
 - 12.4.2 Tax Collection at Source
 - 12.4.3 Advance Tax
 - 12.4.4 Direct Payment
- 12.5 Assessment
 - 12.5.1 Self Assessment
 - 12.5.2 Regular Assessment
 - 12.5.3 Best Judgement Assessment
 - 12.5.4 Re-Assessment
 - 12.5.5 Precautionary Assessment
- 12.6 Income Tax Rate/Slab for Assessment
- 12.7 Summary
- 12.8 Key Terms
- 12.9 Answers to 'Check Your Progress'
- 12.10 Questions and Exercises
- 12.11 Further Reading

MCOM26 --- International Business

UNIT 1 INTERNATIONAL BUSINESS: INTRODUCTION

- 1.0 Introduction
- 1.1 Unit Objectives
- 1.2 International Business – An Overview
 - 1.2.1 International Marketing
 - 1.2.2 Comparison between International and Domestic Marketing
 - 1.2.3 Problems in International Marketing
 - 1.2.4 Importance of International Business
- 1.3 Formation of MNC
 - 1.3.1 Factors Leading to Growth of International Business
 - 1.3.2 Transnational Corporations
 - 1.3.3 Micro-multinationals
- 1.4 The Multinational Company and Multilateral Marketing

- 1.4.1 Environment of a Multinational Firm
- 1.4.2 Challenges of a Multinational Firm
- 1.4.3 Opportunities for a Multinational Firm
- 1.4.4 Multilateral Marketing
- 1.5 Difference Between Domestic and International Trade
- 1.5.1 Factors Changing Domestic Business to International Business
- 1.6 Summary
- 1.7 Key Terms
- 1.8 Answers to 'Check Your Progress'
- 1.9 Questions and Exercises
- 1.10 Further Reading

UNIT 2 INTERNATIONAL TRADING ENVIRONMENT

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Commodity Arguments and Trade Blocs
 - 2.2.1 Trade Patterns
 - 2.2.2 The US Strategy
 - 2.2.3 Exception to the Rule
 - 2.2.4 Going Regional
 - 2.2.5 Diverting Attention
 - 2.2.6 Regional Trade Agreements
 - 2.2.7 Conflict between Multilateralism and Regionalism
- 2.3 Regional Trade Agreements and WTO Rules
 - 2.3.1 Regional Economic Integration
 - 2.3.2 Regional Economic Cooperation and Integration
 - 2.3.3 Economic Integration and Interdependence
 - 2.3.4 Free vs Protective Trade
 - 2.3.5 Discrimination vs Non-Discrimination
 - 2.3.6 Regionalism
 - 2.3.7 Parameters of Regional Economic Integration
 - 2.3.8 Old and New Regionalism
 - 2.3.9 Trends and Characteristics of RTAs
 - 2.3.10 Proliferation of RTAs and Regional and Cross-Regional Development
 - 2.3.11 RTAs in the WTO
 - 2.3.12 Rules of Origin (ROO)
- 2.4 Regional Trade Agreements GATT – Trade Liberalization
 - 2.4.1 Trade Negotiations under GATT
 - 2.4.2 Non-Tariff Measures
 - 2.4.3 The World Trade Organization
 - 2.4.4 From GATT to WTO
 - 2.4.5 Basic Principles of WTO
 - 2.4.6 Non-Discrimination
 - 2.4.7 Reciprocity
 - 2.4.8 Binding and Enforceable Commitments
 - 2.4.9 Transparency
 - 2.4.10 Regulatory Institutions Facilitating International Trade: An Evaluation
- 2.5 Exim Policy
 - 2.5.1 Evolution of EXIM Policy
 - 2.5.2 Major Issues in the New Export-Import Policy
- 2.6 UNCTAD
- 2.7 BOP Convertibility and Exchange Rate Fluctuations

- 2.7.1 Definition and Concepts; 2.7.2 Balance of Trade
- 2.7.3 Balance of Payments on Current and Capital Account
- 2.7.4 Basic Balance; 2.7.5 Overall Balance of Payments: Surplus and Deficit
- 2.7.6 Balance of Payments Settlement and Adjustment
- 2.8 Summary
- 2.9 Key Terms
- 2.10 Answers to 'Check Your Progress'
- 2.11 Questions and Exercises
- 2.12 Further Reading

UNIT 3 TRADE IN SERVICES

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Meaning, Importance and Characteristics
 - 3.2.1 GATS
- 3.3 Other Services
 - 3.3.1 Banking Services
 - 3.3.2 Medical Services
 - 3.3.3 Travel and Tourism Related Services
 - 3.3.4 Service Sectors
- 3.4 Summary
- 3.5 Key Terms
- 3.6 Answers to 'Check Your Progress'
- 3.7 Questions and Exercises
- 3.8 Further Reading

UNIT 4 GLOBAL MARKETING

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Global Environment
 - 4.2.1 Key Aspects of International Marketing
 - 4.2.2 The Global Marketplace
 - 4.2.3 The Trade Market
 - 4.2.4 Asia-Caribbean Pacific Rim Countries
 - 4.2.5 Post-Communist Countries
 - 4.2.6 Latin America
 - 4.2.7 The African Marketplace
 - 4.2.8 China and India
 - 4.2.9 Global Market Segmentation
- 4.3 Entering the Global Market
 - 4.3.1 Low Intensity Mode of Entry
 - 4.3.2 Piggybacking
 - 4.3.3 Go-To-Market Strategy
 - 4.3.4 Motivation to Export
 - 4.3.5 Exporting
 - 4.3.6 Contractual Agreement
 - 4.3.7 Licensing
 - 4.3.8 Franchising
 - 4.3.9 Joint Ventures
 - 4.3.10 Strategic Alliances
 - 4.3.11 Wholly-Owned Subsidiaries
 - 4.3.12 Developing an Entry Plan
 - 4.3.13 Control Management

- 4.3.14 Exit Policy
- 4.3.15 Market Uncertainties and Entry Decisions
- 4.3.16 EPRG Framework
- 4.4 Summary
- 4.5 Key Terms
- 4.6 Answers to 'Check Your Progress'
- 4.7 Questions and Exercises
- 4.8 Further Reading

UNIT 5 GLOBAL MARKETING STRATEGIES

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Strategies for International Business
 - 5.2.1 Strategy for Global Market Entry
- 5.3 Strategy for Products
 - 5.3.1 Levels of Product; 5.3.2 Product Hierarchy
 - 5.3.3 International Product-Line Analysis
 - 5.3.4 Product Design Strategy; 5.3.5 Product Life Cycle Management
 - 5.3.6 New Product Development; 5.3.7 Product Planning Matrix
 - 5.3.8 Product Portfolio Matrix; 5.3.9 Dimensions of Product Strategies
 - 5.3.10 Product Strategy Perspectives; 5.3.11 International Brand Strategy
 - 5.3.12 Brand Categories; 5.3.13 Brand Drivers in International Markets
- 5.4 Pricing Decisions
 - 5.4.1 Value and Skimming Pricing; 5.4.2 Pricing with Demand Curve
 - 5.4.3 Geographical Pricing; 5.4.4 Dual Standards
 - 5.4.5 Conspicuous Pricing; 5.4.6 Psychological Pricing
 - 5.4.7 Value-Added Pricing; 5.4.8 Complementary Product Pricing
 - 5.4.9 Price Discounts; 5.4.10 Discriminating Pricing
 - 5.4.11 Promotional Pricing; 5.4.12 Mark-Up Pricing
 - 5.4.13 Fundamentals of International Pricing; 5.4.14 Cost-Plus Pricing
 - 5.4.15 Customer Expectation-Based Pricing; 5.4.16 Pricing Models
 - 5.4.17 Price–Market Relationship; 5.4.18 Pricing Strategies Management
 - 5.4.19 Building Pricing Strategies; 5.4.20 Other Pricing Modalities
 - 5.4.21 Strategy for Price Leadership; 5.4.22 Non-Price Factors
- 5.5 Promotion and Distribution Strategies
 - 5.5.1 Developing International Advertising Strategy
 - 5.5.2 Advertising Environment; 5.5.3 Advertising Process
 - 5.5.4 Advertising Categories; 5.5.5 Advertising and Buyer Perception
 - 5.5.6 Brand Positioning and Advertising Evaluation
 - 5.5.7 Positioning Methods; 5.5.8 The Concept of Promotion Mix
 - 5.5.9 Advertising Objectives; 5.5.10 Message Strategy
 - 5.5.11 Developing a Media Plan
 - 5.5.12 Advertising Campaign
 - 5.5.13 Advertising Research
 - 5.5.14 Effectiveness in Advertising
- 5.6 Summary
- 5.7 Key Terms
- 5.8 Answers to 'Check Your Progress'
- 5.9 Questions and Exercises
- 5.10 Further Reading

UNIT 6 GLOBALIZATION

6.0 Introduction

6.1 Unit Objectives

6.2 Introduction to Globalization

6.2.1 Levels of Globalization

6.2.2 Advantages of Globalization

6.3 Different Approaches to Globalization

6.3.1 Globalist Approach

6.3.2 Sceptic Approach

6.3.3 Transformational Approach

6.3.4 Anti-Globalist Approach

6.4 For and Against Globalization

6.5 The Changing Face of Globalization

6.6 The Emergence of Hybrid Cultures

6.7 Determinants of Global Trade

6.8 Global Trade Dynamics

6.9 International Competition

6.10 Drivers of Globalization

6.11 Problems and Opportunities for India

6.11.1 Obstacles to Globalization of Indian Companies

6.11.2 Factors encouraging Globalization of Indian Firms

6.11.3 Globalization Strategies followed by Indian Companies

6.12 Multinational Enterprise

6.13 Transnational Enterprise

6.13.1 Some Facts and Figures

6.13.2 Economic Impact

6.13.3 International Production of TNCs

6.13.4 Employment Trends and TNCs

6.14 Summary

6.15 Key Terms

6.16 Answers to 'Check Your Progress'

6.17 Questions and Exercises

6.18 Further Reading

UNIT 7 INTERNATIONAL FINANCE MANAGEMENT

7.0 Introduction

7.1 Unit Objectives

7.2 Motives and Determinants of Foreign Direct Investment

7.3 Reasons for Investing Abroad

7.3.1 Mercantilism

7.3.2 Reasons for International Trade

7.3.3 Theory of Absolute Advantage

7.3.4 Theory of Comparative Advantage

7.3.5 Opportunity Cost and Comparative Advantage

7.3.6 Elaboration of the Classical Theory

7.3.7 The Heckscher–Ohlin (H–O) Theory

7.4 Foreign Currency Management

7.4.1 Participants of Foreign Exchange Markets

7.4.2 Factors Affecting Currency Trading

7.4.3 Trading in Foreign Exchange Market

7.4.4 Structure of Foreign Exchange Market

- 7.4.5 Procedure for Currency Trading
- 7.4.6 Transactions in Foreign Exchange Market
- 7.4.7 Exchange Rate Quotations
- 7.5 Exchange Risk Management
- 7.6 International Monetary System
 - 7.6.1 Exchange Rate Regimes
 - 7.6.2 Exchange Rate Regimes: The Current Scenario
 - 7.6.3 Implementing Optimal Exchange Rate Regime
 - 7.6.4 International Monetary Fund
 - 7.6.5 International Liquidity and Special Drawing Rights (SDRs)
 - 7.6.6 Economic and Monetary Union (EMU)
- 7.7 The Global Capital Market
 - 7.7.1 Classification of Financial Markets
 - 7.7.2 Evolution of Offshore Markets
 - 7.7.3 Interest Rates in the Global Money Markets
- 7.8 Mode of Settlement in International Trade
- 7.9 Summary
- 7.10 Key Terms
- 7.11 Answers to 'Check Your Progress'
- 7.12 Questions and Exercises
- 7.13 Further Reading