



## **CENTRAL UNIVERSITY OF HIMACHAL PRADESH**

[Established under the Central Universities Act 2009]

PO Box: 21, Dharamshala, District Kangra - 176215 (HP)

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### ***Course Contents of Entrance Exam for Ph.D Program in Department of Accounting and Finance***

#### **Unit 1 Financial Management**

Nature and Scope of Finance, Financial Management, Objective of the firm; Finance Functions, Sources of Finance, Capitalization, under and over Capitalization. Time value of Money: Compounding (Interest rate: simple and compounded) and discounting (present value). Fundamental of Risk and return. Capital budgeting process, Capital budgeting Technique, Capital Rationing, Adjusted Net Present Value.

#### **Unit II Corporate Finance**

Cost of Capital: Calculating Cost of Specific Funds and weighted average cost of capital. Capital Structure: Meaning, relevance of Capital Structure-Net Income and traditional view and irrelevance of Capital Structure-NOI and MM hypothesis. Dividend policy: Relevance and irrelevance model. Objective and Practical consideration of dividend policy, Forms of dividend.

#### **Unit III Financial Markets and Institutions**

The Indian Financial System: Components of formal financial system, Functions of a financial system. Financial Markets: The Money market; Functions, Instruments, Tools for managing liquidity in money markets. Capital Markets: Functions, Primary Capital market, Secondary Capital market, The Primary market, The Secondary market. Banking Institutions, Functions of a Bank, Scheduled Commercial Banks, Reforms for Banking sector, Capital Adequacy, Basel Norms in India. Cooperative Banking – Urban and Rural Co-operative Banking Institutions, Functions of a Bank, Scheduled Commercial Banks,

#### **Unit IV Portfolio and Investment Management**

Portfolio Management – Risks and Returns: Concept of portfolio and portfolio management, concept of risk, types of portfolio management. Markowitz Portfolio Selection Model: Concept of portfolio analysis and diversification of risk. Markowitz Model and Efficient Frontier. Capital Asset Pricing Model (CAPM). Arbitrage Pricing Theory and its principles, Comparison of Arbitrage Pricing Theory with the Capital Asset Pricing Model. Fundamental Analysis. Technical Analysis. Efficient Market Hypothesis

## **Unit V Emerging concepts in Accounting and Finance**

GST, Econometric tools used in finance, Micro Finance, Retail Banking, Financial Inclusion, Bancassurance, Mergers and Acquisitions, Leasing, Factoring, Forfaiting, Merchant banking, Role of Stock markets in raising finance.