



## **Entrance Test Syllabus for Integrated Ph.D. {For MBA (Finance) Students}**

### **1. Management and Organizational Behavior:**

Evolution of management Thought-Classical, Behavioral and Management Science Approaches; The Hawthorne Studies; Systems and Contingency Approach for understanding organizations; Application of Management thought to the current scenario; Fundamental Concepts of Organizational Behavior; The role of OB in Management; Managerial Process, Functions; Managerial Skills and Roles in Organizations. Foundations of Individual Behavior-Personality-Meaning; Development of Personality; Personality Determinants; the “Big Five” Personality Traits; Emotional Intelligence. Perception;- Nature and importance; Factors influencing perception; Managing the Perception Process. Learning- Components of learning process; Theoretical process of learning- Classical Conditioning; Operant Conditioning; Cognitive and Social Learning Theory. Attitude: Nature and dimensions; Components and functions of attitude, Formation and attitude change. Motivation in organizations: Nature and importance; The motivational framework; The content theories of work motivation- Maslow’s Need Hierarchy Theory; The Dual Structure Theory of Motivation; Process theory of work motivation- Vroom’s Expectancy Theory; J. Stacy Adam’s Equity Theory.

### **2. Accounting for Managers:**

Financial Accounting - Concept, Importance and Scope. Generally accepted accounting principles, Preparation of Financial Statements with special reference to analysis of a Balance Sheet and Measurement of Business Income. Management Accounting – concept, need, importance and scope. Financial Statement Analysis- Concept, objectives and types. Ratio analysis- study of liquidity, solvency and profitability ratios. Funds Flow Analysis – uses and preparation of funds flow statement. Cash Flow Analysis – uses and preparation of cash flow statement. Cost Accounting - Records and Processes, Preparation of cost sheet. Marginal costing and absorption costing., Managerial application of marginal costing. Break even analysis – Computation of break even point, margin of safety. Profit graphs. Responsibility Accounting – Concept and Objectives, Responsibility Centres. Standard costing – organization and establishing a standard costing system. Variance Analysis- Classification of variances, Material cost, Labour cost, Overhead cost and sales variances. Causes and Disposition of variances.

### **3. Quantitative Techniques:**

Mathematical basis of Managerial decisions - An overview; Nature and Scope of Quantitative methods in management; Scientific approach to Quantitative techniques; Functions and their managerial application (linear & quadratic functions); Concept of Derivative of functions and its managerial applications for finding maxima and minima (functions of single variable only); Game Theory: Zero sum games – Pure and mixed strategies (matrices reducible to  $2 \times 2$ ). Basic concepts of Probability, Applications of addition rule and multiplication rule of probability-simple situation problems; Numerical problems on Bayes’ theorem- the special case of multiplication rule; Elementary characteristics and simple situation applications of discrete and continuous probability distribution:- Binomial, Poisson and Normal probability Distribution only; Queuing theory: Elementary characteristics and simple situation applications. Linear Programming: Concept and formulation/ structuring of Linear programming problems; Graphical Method to Linear programming problems (Maximization and Minimization cases), Simplex method to linear programming problems, Big M method; Transportation problem: Initial basic feasible solution methods, Modified approximation method for finding optimal solutions to transportation problems; Introductory concepts in Assignment problems – Hungarian assignment method for optimal assignment. Introductory concepts in network analysis: Programme Evaluation and Review Technique (PERT) / Critical Path Method (CPM) and their managerial applications; Computations in PERT networks- finding earliest times, latest times and floats for events and activities; Probability considerations in PERT networks; Elementary PERT/ CPM – Cost Analysis, Time-cost tradeoff in network analysis; Decision theory: criteria for managerial decisions under uncertain and probabilistic kinds of decision making environments; Calculation of EMV and EVPI.

### **4. Managerial Economics:**



Meaning Nature and Scope of Managerial Economics. Uses and limitations. Consumer's Behaviour: Utility Analysis- Cardinal Approach: Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility and Consumer Equilibrium. Ordinal Approach: Indifference Curve, Budget Line and consumer equilibrium. Demand Analysis- Law of Demand, Elasticity of Demand, Measurement and application of Elasticity of Demand. Market Structures: Short-run and long- run price output determination under perfect competition, Monopoly, Monopolistic Competition. Oligopoly- Cournot and Sweezy Model. Cartels and Price Leadership. Business Cycle: Nature and Phase. Theories- Psychological, Profit, Monetary, Innovation, Cobweb, Samuelson and Hicks theories. Inflation- Classification and causes, Inflationary gap, Deflationary gap and Elementary process.

### **5. Computer Applications In Business:**

Introduction to computers, Block Diagram of Computer, Advantages and Disadvantages of computers; Evolution (Generations) and classification of computers (super, mainframe, Mini, Micro etc); Common I/O devices and their characteristics. Primary and secondary memory: RAM and ROM, Hard Disk, Magnetic Tape and Optical devices. Computer software: Classification and Types. Generations of computer Languages Operating System: Functions, types-Multiprogramming, Multiprocessing, Timesharing, Real time, Online and Batch Systems. Booting process, Windows Basics: The Desktop, My Computer, Working with files and Folders. Windows Explorer, Windows Help and Support centre. Searching in Windows and System utilities. Start Menu, Accessories like Notepad, Paint and WordPad.

### **6. Human Resources Management:**

Human Resource Management. - Nature, Philosophy, significance and core values of HRM, Evolution of HRM; Challenges facing HRM and impact of technology on HRM practices. Role of HR managers. The qualities of good HR managers and determining personal effectiveness & sense of efficacy. who am I exercise. Human Resource Planning-Concept and process. Job Analysis, methods and purpose of job analysis- job description, job specification and job evaluation. Recruitment Search-process, sources and methods of recruitment. Selection Process. Placement, induction, internal mobility and separations. Performance Appraisal System(PAS)-Concept, objectives and uses of PAS. PAS Methods and sources. Appraisal errors. Discipline and grievance handling Mechanism. Industrial relations, Causes for good and poor industrial relations. Manpower Training and Development – Concept, objectives and significance. Determination of training needs. Methods for operatives training and management development programmes. Stages of Training programmes. Evaluation of effectiveness of training programmes.

### **7. Marketing Management:**

Nature, Significance and scope of Marketing; Company Orientations towards the market place; Marketing concepts, Trends and Tasks; Strategic Marketing planning; Scanning the Marketing Environment; Marketing Research; Creating customer value, Satisfaction, and loyalty. Consumer Behaviour; Factors influencing consumer Behaviour and Buying decision process; Segmenting consumer and business Markets; Market Targeting; Building Strong Brands-Dealing with competition, Creating Brand Equity; Crafting Branding positions; Product Management; Product life cycle, New product and Decisions; Product packaging and labelling. Pricing objectives and approaches; Factors affecting pricing decisions; Pricing Strategies; Price Changes;. Marketing channels and value Networks; Role of Marketing channels; Channel design and channel Management Decisions; Factors affecting distributors decisions; Channel conflict and its Management. Growth in Retailing Industry and Strategic decisions in Retail business. Marketing communications, Developing effective communications, Advertising, Sales promotion, public Relations; Personal Selling and Direct Marketing; Internal Marketing; Socially Responsible Marketing.

### **8. Managerial Finance:**

Introduction to Finance: concept, principles that form the basics in financial management, scope, goal of the firm; Time value of money- future value and present value computation, comparing P.V. with F.V; Cost of Capital-concept, significance, determining cost of specific sources of capital, the weighted average cost of capital. Capital Investment Decisions: concept and types of capital expenditures, capital budgeting process, Estimation of Cash Flows for investment analysis, Capital budgeting decision criteria:-pay-back period and post pay-back method,



present value and net present value method, internal rate of return: Capitalization and Capital Structure -Meaning, theories of capitalization, over and under capitalization; concept of capital structure, factors affecting capital structure, relevance of capital structure –net income approach and traditional approach , Irrelevance of capital structure-net operating income approach and MM hypothesis, EBIT EPS analysis, Indifference point computation; Leverage: Financial, Operating Leverage and total leverage, Analysis and impact of leverage.Dividend Decision: Purpose of dividend decision, objectives of dividend policy, different dividend policies, forms of dividends, Dividend relevance theories: Walters Model, Gordon’s Model; Dividend relevance theories- M.M.Hypothesis; Valuation: Corporate dividend behavior and value of firm, Valuation of shares and bonds.

### **9. Production and Operations Management:**

Production and Operations Management- an overview; Nature and scope of Production/ Operations Management; Historical perspective of Operations Management; Operations as a System:- Continuous and Intermittent production system, flow, batch and job type of production; Operations strategy and elements of operations strategy; Facility location: Factors affecting plant location, Brown and Gibson Model of plant location. Manufacturing systems and layouts: Product, Process and cellular layouts, layout planning and Analysis; Production Process Planning and Design: factors affecting process design; Concept of Line Balancing; Production Planning and Control – An overview; types of Production Planning and Control; Aggregate planning:- Concept, strategies and costs; Master Production Scheduling (MPS): objectives and procedure for developing master production schedule; Materials Management: An overview; Basic concepts of Material Handling; Material Planning and Inventory Control; Inventory Control: Costs and objectives; Inventory control techniques; ABC Analysis: Just in Time (JIT); Materials Requirement Planning (MRP); Economic Order Quantity Model (E.O.Q with deterministic Demand) and practical problems on EOQ.

### **10. Research Methodology:**

Research Methodology - Epistemology Nature and Scope, Scientific Research, Building Blocks, Concepts, Construct, Parsimony, variables, attributes, validity concept, theory building in research, Research Process, Marketing research, value and cost of information – Bayesian Decision Theory, Ethical issues in Marketing Research. Research Design – types – Exploratory, Descriptive and Casual, Experimental Design-Concept and types, Experimentation –Validity Measurement and Scaling – Comparative and Non-Comparative Thurston’s V-Scale Model, OS good’s Semitic differential scale, Likert scale, Q-sort scale. Data Source- Primary, Secondary Questionnaire – Concept, design and types , Sampling Techniques- probability and non-probability, sample size, Sampling Errors. Hypothesis Formulation & Testing - Parametric tests- one sample and two sample tests for means and properties of large samples Z –Test, T-Tests, ANOVA one way and two way. Chi- Square test for independence of attributes and goodness of fit. Kolmogrov – Smirnow test and goodness of fit, Correlation and regression Analysis concept and application-Application of SPSS package.

### **11. Strategic Management:**

Nature, Scope, Significance and process of Strategic Management; Business Strategy; Different forms of strategy; strategy and tactics; Competitive advantages as focal point of strategy; strategic Intent; Dimensions of Strategic Decisions; Corporate level and business level Strategists and their role in Strategic Management. External Environmental Analysis; the general environment and the competitive environment; processes for analyzing the external environment; internal environmental analysis, Resource-Based view of the firm; developing the company profile-value chain framework; Methods for assessing internal strengths and weakness; SWOT Analysis. Corporate level Strategies, Expansion Strategies; Retrenchment Strategies; Generic Business level Strategies; Strategic analysis and choice; BCG Matrix; GE-Nine Cell Matrix; Grand Strategy Selection Matrix; Model of Grand Strategy Clusters. Strategy Implementation-7S Frame work for understanding implementation issues; Organizational Learning; Structures for Strategies, Organizational Leadership, Corporate culture. Strategic Evaluation and Control.

### **12. Security And Portfolio Management:**



Introduction: Properties of financial assets, Meaning and Concept of investment, characteristics and objectives of investments, role of security market in economy, various securities and their characteristics, mechanics of security trading: Security Market Indices- computation through market value method, price weighted method and equal weighted method, sensitive index of equity prices; Various types of security markets and their functions. Efficient Capital Markets Theory-Need for efficient capital markets, efficient market hypothesis –weak form, semi strong and strong form; capital asset pricing model; stock market volatility; Risk and Return- historical and expected rates of return, mean and measurement of risk of expected and historical return, common measures of risk and return; Market Efficiency and Behavioral Finance- explanation of biases and Fusion Investing Theory; review of the efficient market paradigm and analyses of the behavioral challenge staged against it. Fundamental Security Analysis: Economic analysis – purpose, sources of information and techniques; Industry Analysis – objectives, sources of information, and techniques; Company Analysis- objectives, company analysis through financial ratio analysis. Portfolio Theory and Management-concept, objectives, principles, portfolio return, portfolio risk,covariance, correlation and variance, determination of portfolio beta and alpha, optimum portfolio, two asset portfolio, Markowitz portfolio theory, finding the efficient frontier and investors' utility,Sharpe's Index Model of Optimization. Financial Systems: Significance, Functions and structure of financial system, Indian financial system, Financial Dualism. Financial instruments: Debentures, Shares, ADRs, GDRs and ECBs. Derivative trading – Futures & options contracts.

### **13. Indian Financial System:**

Money Market: Meaning and Functions, Constituents of Money Market: Call Money Market, Treasury Bill Market, Certificate of Deposit Market, Commercial Bills Market and Commercial Paper Market. Method of Auction of Treasury bills, RBI's Negotiated Dealing System, CCIL and its role as inter-bank market maker, FIMMDA and its role in money market. Capital Market : Concept; Structure and Functions of Capital Market; Primary Market its role & Functions, Methods of selling securities in Primary Market, SEBI Guidelines for different types of issues, procedures for Pricing of new issues, Appointment & role of Merchant Bankers, Underwriters, Lead Managers, Brokers, Bankers & Registrars. Allotment of shares, Secondary Market – Role & Organisation of stock exchanges. Types of stock exchanges. Listing & De-listing of securities. Screen based Trading System and Settlement. Financial Institutions: Commercial Banks: Functions and management. Reserve Bank of India – Role & Functions. Development Financial Institutions: Types, Role, functions, Non-Banking Financial Companies (NBFCS) : Concept, Types, Role and functions, RRBs : Role & Functions.

### **14. Working Capital Management:**

Working Capital – Concepts. Components of Working Capital. Objectives of Working Capital. Determinants of Working Capital. Estimating Working Capital needs. Operating Environment of Working Capital. Approaches to Working Capital Investment – Walters approach and Trade off approach. Financing of Working Capital. Management of cash and marketable securities – Objectives and Decisions. Motives for holding cash. Managing cash flows – problems and issues. Cash forecasting – preparation of cash budget. Investment in marketable securities. Optimization models for short term investments - Baumol model, Miller-Orr model and Stone model. Management of Inventory. Components of inventory. Objectives of inventory control. Costs in inventory system. Techniques of inventory management – determination of order point, Analysis of quality discounts and safety level. Selective inventory control techniques – ABC analysis, VED analysis, FSN analysis. Emerging trends in inventory management.

### **15. Management of Commercial Banks:**

Introduction to Commercial Banking, Nature and Composition of bank balance sheet and income statement, types of deposit liabilities and loan assets, bank credit, types, features, credit process, modes of credit delivery, legal aspects of lending. Off-Balance sheet items. Bank investment, objectives, components, role of treasury, treasury investment products, valuation of investment. Management of reserves: Primary and secondary reserves, nature, composition and purpose of reserves, factors influencing reserves; estimation of secondary reserves. Regulatory reserves: Significance, management of CRR & SLR investment. Liquidity management, Theories of liquidity



management. Management of capital funds in commercial banks: Meaning, function and necessity of adequate capital funds, risk based capital standards, Basel regulations, constituents of capital funds, calculation of capital ratios. Management of income, asset quality and operational efficiency, various sources of income and expenditure, determination of income, concept of Non- performing assets(NPAs), causes of NPAs, prudential norms, classification of loans, provisioning requirements, recognition of income and non-performing loans, measurement of operational efficiency and parameters.

### **16. Macro-Economic Policy and Analysis:**

Concepts of Macroeconomics. Monetary Standards - Gold and Paper Standards. Value of Money- Measurement and its Standards, Index Numbers - Classification, Construction and difficulties in construction and its Significance. National Income - Concept and Methods of estimation and deflation. Monetary Policy- Tools of monetary policy, Targets and effectiveness, Fiscal Policy- Instruments and application. Integration of fiscal and monetary policy. Demand for Money- Constituents and determinants. Supply of Money: Concept, Constituents and determinants. Velocity of Money- Determinants and factors influencing Velocity, Theories of Velocity of Money. Money multiplier, Quantity theory of Money- Fisher's approach and Cambridge Cash balance approach. Saving Function- Meaning and determinants. The Paradox of Thrift. Consumption Function- Meaning, technical attributes, determinants, significance. Measures to raise propensity to consume. Investment Function- Concept of capital and investment. Classification and determinants. Investment multiplier. MEI and MEC. Measures to stimulate investment.

### **17. Corporate Valuation and Restructuring:**

Corporate Valuation Concept of Corporate Valuation: Methods of measuring corporate value: Adjusted book value approach, stock & debt approach, direct comparison approach, discounted cash flows approach. Value Based Management Marrakon approach, AI-Car approach, McKinsey approach, economic value added approach, BCG approach. Mergers and Acquisitions Types of combinations, reasons for mergers. Costs & benefits of mergers. Valuing the target company. Exchange ratio & form of compensation. Regulations for takeovers & mergers. Defensive strategies, signs of takeovers. Leveraged buyouts. Corporate Re-structuring & Divestiture Reasons for corporate restructuring; dynamics of restructuring; financial restructuring, organizational restructuring, divestitures and joint ventures.

### **18. Financial Risk Management:**

Risk Management:-Concept and objectives; Types of financial risks- credit risk, market risk, default risk, foreign exchange risk, purchasing power risk, liquidity risk, interest rate risk; Main banking business lines and risk associated with each: the banking book, the trading book and off balance sheet exposure; Scientific risk management process; Financial Derivatives:- introduction, features, types of financial derivatives, basic financial derivatives, uses of financial derivatives. Risk Measurement: - based on sensitivity, based on volatility and based on down side potential; Credit risk management –concept, components, need and process of credit risk management; Approaches for capital charge for credit risks; Risk and Return:-introduction, measuring expected return, probability distribution, measures of risk. Operational Risk Management:- Concept of operational risk; Operational risk categorization-cause based, effect based and event based ; Operational risk management process; Guiding principles; Approaches for attribution of capital charge for operation risks- Basic Indicator Approach, Standardized Approach and Advanced Measurement Approach. Risk Based Capital Standards: concept, application of capital adequacy standards to Indian banks, computation of capital adequacy of banks.

### **19. Derivative Operations and Analysis:**

Financial Derivatives: Introduction and historical background. Classification of derivatives products, characteristics and scope. Functions of derivatives, Factors affecting the growth of derivatives. Participants in derivatives markets, Risks involved in derivatives markets and their management. Forwards and Futures: Forwards- Meaning and definition, Characteristics of forwards. Futures-Meaning and definition, characteristics of futures. Distinction between forwards and futures. Stock futures and its application, Index futures and its application. Eligibility criteria



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for stocks and indices. Hedging, Arbitrage and speculation through futures. Trading mechanism, Transaction charges, clearing mechanism, settlement mechanism, margin system and risk management system. Options Contracts: Meaning and definition, characteristics of options, classification of options- Call option and put option. American and European options. Options strategies. Factors determining option pricing. Eligibility criteria for stocks and indices. Settlement mechanism, Transaction charges, clearing mechanism, settlement mechanism, margin system and risk management system.