



के रल के न्दय व् यशयवयदयलय  
**CENTRAL UNIVERSITY OF KERALA**

कवसरगोड / KASARAGOD

**Department of Commerce and International Business**

**Proceedings of Board of Studies Meeting**

Board of Studies meeting of the Department of Commerce and International Business, Central University of Kerala, Periyar, Kasaragod, was held on July 7<sup>th</sup> 2020, Tuesday, from 2 PM onwards through Google Meet. The internal members were present at the conference hall of Gangotri Block. The meeting was addressed by the honourable Vice Chancellor, Dr. G Gopakumar.

Members Present:

1. Prof Dr V Balachandran, Professor and Head, Department of Management Studies, Dean, School of Business Studies, Central University of Kerala.
2. Prof Dr N Ragavan, Department of Commerce, University of Madras, Chennai.
3. Prof Dr Mavoothu, Director, School of Management Studies, Cochin University of Science and Technology, Kochi.
4. Prof Dr B H Suresh, Department of Commerce, University of Mysore, Mysore.
5. Dr Antony Joseph, Manadan, XV/57, Nazareth Road, Aluva.
6. Mr K G Madhu, Managing Director, Ammini Group of Institutions, Papanamcode, Thiruvananthapuram.
7. Prof Dr E K Satheesh, Dean, Department of Commerce and Management, Calicut University, Kozhikode.
8. Prof Dr T Mallikarjunappa, Head (I/C), Department of Commerce and International Business.

Prof T Mallikarjunappa, HOD of the Department, welcomed the honourable Vice Chancellor and all the members who were present online for the BOS meeting. The honourable Vice Chancellor, Central University of Kerala, discussed the process that the CUK follows in revising the curriculum and urged all the members to contribute to make the best syllabus for the newly started Department of Commerce and International Business. This was followed by brief introduction of all the members. After the introduction of the members, the agenda for the meeting were taken up for discussion. The decisions of the different agenda are given below.

Agenda 1: Revision of the existing MCom curriculum.

Decision: The members had read the proposed syllabus and the regulations which were sent through mail and the discussion on the syllabus started with each member suggesting the changes to be made in the proposed syllabus. The proposed syllabus was presented for making the suggestions for revision. The HOD explained the revised syllabus and the need for the revision and invited members to contribute to enriching the course curriculum.

Agenda 2: Suggestion of the courses that could be continued and courses that can be added in the new syllabus.

Discussion: The following suggestions were put forward by the members:

Dr Antony Joseph suggested that International Business may be offered as Elective for MCom. More practical approaches like Registration Formalities to get I.C.C number from D.G.F.T, Modes of Entry into Global markets, F.T.P.Foreign Trade Policy, Incentives offered by Government, Institutional support by Government for Foreign trade, Payment Terms; L/C, D/P,D/A, Sale Terms – Quotations, FOB, CIF, Documentation , Insurance – Marine, Pre-shipment inspection, Quality Control, Processing of Export order should be incorporated in International Business, which would benefit the students in future. He has suggested a syllabus with 5 modules for the subject International Business.

Dr Antony Joseph suggested that the following topics may be included in the syllabus of:

1. Principles of Management – M.B.O, PERT, CPM, Major forms of business organizations.
2. Marketing Management – B2B Marketing, Industrial Marketing, Logistics & Supply Chain Management, Rural Marketing, Retail Marketing, Tele Marketing, Mobile Marketing, other digital forms and video platforms.

Dr B H Suresh suggested that syllabus should include the papers which are prescribed for NET. He also suggested eliminating elementary aspects from the subjects Advanced Management Accounting and QT for Decision Making.

Dr D Mavoothu offered the following suggestions:

1. Case studies to be discussed for the courses.

2. More inputs from Indian Epics (Mahabharatha and Ramayana) and value system can be used rather than the Western inputs in teaching the paper 'Corporate Governance and Business Ethics'.
3. The last two modules (IV AND V) in paper 'Corporate Governance and Business ETHICS' can be used for teaching Business Ethics and first three modules can be for Corporate Governance. He has suggested a detailed structure of IV and V module.

Dr. N Ragavan made suggestions for the following subjects;

1. International Financial Reporting Standards – He suggested that the disclosure and treatment matter should be given priority from learning perspective and all IFRS to be introduced.
2. Legal Framework for Business and Commerce – The legislative provisions of Competition Act , Insolvency and Bankruptcy Code, Prevention of Money Laundering Act, and Judicial Pronouncement to be included in the syllabus.
3. Principles and Practices of Auditing – To incorporate Standards on Auditing, Practical Audit situations, and Legislative provisions on auditing matters in the syllabus.

Decision: The board resolved to modify the course curriculum and the regulations and accept the same after incorporating the suggestions which the members could send after the meeting through email. The revised syllabus with the changes suggested by the members of the board could be sent to the university for further action.

Agenda 3: Addition of SWAYAM courses in the I, II and III semesters of MCom.

Decision: The board took note of the suggestions on the courses on SWAYAM that a student could opt. It was suggested that SWAYAM Courses to be offered at any time during the course duration but preferably in First, second and third semesters. The credits earned by the students in the SWAYAM should be incorporated into the grade sheet of the students.

Agenda 4: Any other matter of relevance.

The members made different suggestions on the way curriculum could be structured.

1. Number of units for the elective papers to be reduced to four.
2. In the subject Marketing Management, more practical aspects need to be incorporated.
3. Students should be made familiar with the online recruitment sites and profile creation in such sites, by including it under the subject Human Resource Management.

4. MSME website and its importance to be highlighted in the subject Entrepreneurship Development.
5. Dr B H Suresh made a suggestion connected with the regulations. He pointed that the rules relating to the failure of students in any exam and re-conduct of exam is not clear in the regulations. The HOD clarified that these are governed by the CBCS regulations of the CUK. Another point was that in his opinion the Vice Chancellor should have the power to modify the regulations or to solve a problem any time but not only up to three years. The suggestion is accepted and the relevant clause has been changed to incorporate this suggestion

It is resolved to revised the course curriculum and send it to the university for further action.

Sd/-

Prof Dr V Balachandran

Sd/-

Dr B H Suresh

Sd/-

Prof Dr N Ragavan

Sd/-

Dr Antony Joseph

Sd/-

Prof Dr E K Satheesh,

Sd/-

Mr,K G Madhu

Sd/-

Prof Dr Mavoothu

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Prof Dr T Mallikarjunappa,

(Chairman)

**MCM5402 FINANCIAL DERIVATIVES AND RISK MANAGEMENT**

Course Code	MCM5402	Semester	IV
Course Title	<i>FINANCIAL DERIVATIVES AND RISK MANAGEMENT</i>		
Credits	4	Type	CORE

This course shall have 3 lecture hours, 2 practicals, 1 tutorial.

**This is a Skill based, employability based, and entrepreneurship skill based course.**

**Course Objective**

To provide understanding on design, pricing and valuation of financial derivatives and applications of derivative instruments for pricing and risk management by corporations.

**Learning Objectives**

- To understand the concept of risk management and different types of risks.
- To discuss and explain in detail financial derivatives such as options, futures, swaps.
- To identify the relationship between derivatives and risk management.
- To explain the application of financial derivatives in managing investment risk.

**Course Structure**

**UNIT I:**

Risk Management: Meaning of Risk management, Importance, types of risks to be managed, credit risk, market risk and operational risk – relationship between derivative and Risk management.

**UNIT II:**

Introduction to derivatives: meaning and purpose of derivate; forward contracts Future contracts- options-swaps and other derivatives; Type of trader; Trading future contracts; Specification of the future contracts; Operation of margins, Settlement and regulations. - Derivatives Market in India: – regulation, working and trading activity

**UNIT III:**

Futures: Hedgers and speculators; Future contracts; Future market –clearing house margins, trading future positions and taxation; Future prices and spot prices; Forward prices vs. future prices.

**UNIT IV:**

Options: Types of options; Options trading; Margins; Valuation of options; Binomial Option; Pricing Modal; Black -Scholes model, for Call Option; Valuation of put Options; Index options; option market exchange traded options, over- the counter options, quotes trading, margins, clearing, regulation and taxations; Warrants and convertibles.

**UNIT V:**

SWAPS: Origin of SWAP Contracts – Forms of Swap Contracts – Interest rate swaps- pricing of Interest Rate Swaps –Asset Swaps – Forward Swaps – Swaptions – Currency Swaps – Commodity

Swaps – Over the Counter Interest Rate Derivatives.

**Practicals**

- Derivative pricing and valuation
- Application of the Black-Scholes model in the determination of derivative prices.
- Application of forwards, future and options in different trading activities.

**Skills**

- Develop awareness of the derivatives markets.
- Acquire understanding of how futures and options markets work.
- Understand the operation of clearing houses and regulatory environment

**Learning/Course Outcomes**

- Get familiar with the basic types of derivatives.
- Provides introductory theory and working knowledge of financial derivatives.
- Understand the basic risk management and trading strategies using derivatives.
- Able to develop and employ theoretical valuation methods to price the financial derivatives.

**Books for Reference:**

1. David A & Thomas W. Miller, Derivatives valuation and Risk Management, Oxford University Press 2003.
2. Dhanesh Khatri, Derivatives and Risk management, Macmillan Publishers India Ltd, 2012.
3. Don M.Chance & Robert Brook, Derivatives & Risk Management, South Western Cengage Learning, 2008
4. John C. Hull, Sankarshan Basu, Options, Futures and other Derivatives, Pearson Education, Noida 2010.
5. Kolb Robert W and Overdhal James A - Futures , Options and Swaps-Wiley.
6. Mandura Jeff, Financial Markets and Institutions, West Publishing Company, New York.
7. Rajiv Srivastava: Derivatives and Risk Management: Oxford.
8. Rene M. Stulz, Risk Management & Derivatives, Thomson south Western, 2007.
9. Robert A Strong, Derivatives: An Introduction, Thomson South-Western, 2002
10. S L Gupta: Financial Derivatives Theory , concepts and Problems: PHI.
11. Stafford Johnson, Introduction to Derivatives, Oxford University Press, 2009
12. Sundaram Janakiraman: Derivatives and Risk Management: Pearson.

**Theory and Problem: - 40:60**