



PROGRAM	Master of Business Administration
SEMESTER	3
COURSE TITLE	Treasury Management
COURSE CODE	04MB0335
COURSE CREDITS	3
COURSE DURATION	42 Hrs (42 sessions of 60 minutes each)

COURSE OUTCOMES:

- * To understand the importance of treasury management in banking institutions
- * To apply treasury mathematics in its management and recognize capital requirements in banking institutions
- * To apply risk management strategies in banking institutions
- * To analyze the financial performance of banks with the use of various ratios and models
- * To discuss other contemporary issues applicable in treasury management of banking institutions

Course Contents:

Unit No	Unit / Sub Unit	Sessions
I	<p>The Overview of Financial Markets & Treasury Management:</p> <p>Financial Markets: Classification of financial markets, role and functions of participants in financial markets, money market, money market instruments, participants in money market, interest rate quotation and market terminology, capital markets and foreign exchange markets, introduction to derivatives</p> <p>Treasury Management: Nature of treasury assets and liability, objectives of treasury, organizational structure of treasury, treasury as a cost center and profit center, treasury terminology, treasury operations in global scenario</p>	8
II	<p>Treasury Mathematics & Capital Requirement for Banks:</p> <p>Treasury Mathematics: Dynamics of fixed income securities, price calculations for treasury bills, exchange rate mechanism, FEDAI guideline and valuation, exchange rate mechanism and arithmetic, swap valuation mathematics</p> <p>Capital requirement for Banks: Economic capital of banks, measuring and allocating economic capital, Constituents of bank capital, treatment of credit and market risk, capital adequacy norms in India, minimum capital requirement for credit risk, credit risk mitigation, significance of market discipline</p>	12
III	<p>Risk Analysis/Control & Role of IT in treasury management:</p> <p>Risk analysis: Interest rate risk, credit risk, operational risk, liquidity risk, Value at Risk (VaR), hedging risk at banks, Risk management with the use of derivatives market, Derivatives</p>	8

	based funding strategies, Asset backed financing strategies (Trade finance & Letters of credit, Forfaiting and factoring, Securitisation, warehouse financing) Role of IT: Negotiated Dealing System (NDS), various trading platforms and systems, Straight through Processing (STP)	
IV	Performance Analysis for Banks: Determinants of bank performance, ratio analysis for banks, RoE model for profitability analysis, CAMELS (an integrated scorecard for banks)	6
V	Contemporary Issues in Treasury Management: Regulations (Basic), Supervision and Compliance of Treasury Operations, Back Office Operations in International and Domestic Treasury, Assets/Liability Management (ALM), Accounting for treasury transactions, Valuation of Assets and Liability	8

Evaluation:

The students will be evaluated on a continuous basis and broadly follow the scheme given below:

	Component	Weight age
A	Continuous Evaluation Component (Assignments / Presentations/ Quizzes / Class Participation/ etc.)	20% (C.S.E.)
B	Internal Assessment	30% (I.A.)
C	End-Semester Examination	50% (External Assessment)

SUGGESTED READINGS:

Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year of Publication
T-01	Meera Sharma	Management of Financial Institutions: With Emphasis on Bank and Risk Management	PHI Publication	1 st Edition, 2018
T-02	Steven M Bragg,	Treasury Management	Wiley	1st, Edition of 2010

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year of Publication
R-01	Indian Institute of Banking & Finance	Treasury Investment & Risk Management	Indian Institute of Banking & Finance	3 rd Edition, 2018
R-02	Indian Institute of Banking & Finance	Treasury Management	Macmilam India Ltd.	1 st Edition, 2018