

<b>Name of the Program:</b> Bachelor of Commerce (B.Com.) <b>Course Code:</b> COM 6.1 (DSC) <b>Name of the Course:</b> Advanced Financial Management		
<b>Course Credits</b>	<b>No. of Hours per Week</b>	<b>Total No. of Teaching Hours</b>
<b>4 Credits</b>	<b>4 Hrs</b>	<b>60 Hrs</b>
<b>Pedagogy:</b> Classrooms lecture, Case studies, Tutorial Classes, Group discussion, Seminar & field work etc.,		
<b>Course Outcomes: On successful completion of the course, the students' will be able to</b> <ol style="list-style-type: none"> <li>Understand and determine the overall cost of capital.</li> <li>Comprehend the different advanced capital budgeting techniques.</li> <li>Understand the importance of dividend decisions.</li> <li>Evaluate mergers and acquisition.</li> <li>Enable the ethical and governance issues in financial management.</li> </ol>		
<b>Syllabus:</b>		<b>Hours</b>
<b>Module No. 1: Cost of Capital and Capital Structure Theories</b>		<b>14</b>
<b>Cost of Capital:</b> Meaning and Definition – Significance of Cost of Capital – Types of Capital – Computation of Cost of Capital – Specific Cost – Cost of Debt – Cost of Preference Share Capital – Cost of Equity Share Capital – Weighted Average Cost of Capital – Problems. <b>Theories of capital structures:</b> The Net Income Approach, The Net Operating Income Approach, Traditional Approach and MM Hypothesis – Problems.		
<b>Module No. 2: Risk Analysis in Capital Budgeting</b>		<b>14</b>
Risk Analysis – Types of Risks – Risk and Uncertainty – Techniques of Measuring Risks – Risk adjusted Discount Rate Approach – Certainty Equivalent Approach – Sensitivity Analysis - Probability Approach - Standard Deviation and Co-efficient of Variation – Decision Tree Analysis – Problems.		
<b>Module No. 3: Dividend Decision and Theories</b>		<b>14</b>
Introduction - Dividend Decisions: Meaning - Types of Dividends – Types of Dividends Policies – Significance of Stable Dividend Policy - Determinants of Dividend Policy; Dividend Theories: Theories of Relevance – Walter's Model and Gordon's Model and Theory of Irrelevance – The Miller-Modigliani (MM) Hypothesis - Problems.		
<b>Module No. 4: EVA and MVA</b>		<b>10</b>
Introduction – Meaning of EVA (Economic Value Added), and MVA (Market Value Added), Importance, Relationship between EVA and MVA, Difference between EVA and MVA, Application of methods, Problems on EVA and MVA.		
<b>Module No. 5: Ethical and Governance Issues</b>		<b>08</b>

Introduction to Ethical and Governance Issues: Fundamental Principles, Ethical Issues in Financial Management, Agency Relationship, Transaction Cost Theory, Governance Structures and Policies, Social and Environmental Issues.

**Skill Development Activities:**

1. Visit an organization in your town and collect data about the financial objectives.
2. Compute the specific cost and Weighted average cost of capital of an Organization, you have visited.
3. Case analysis of some live merger reported in business magazines.
4. Meet the financial manager of any company, discuss ethical issues in financial management.
5. Collect the data relating to dividend policies practices by any two companies.
6. Any other activities, which are relevant to the course.

**Books for Reference:**

1. I M Pandey, Financial management, Vikas publications, New Delhi.
2. Abrish Guptha, Financial management, Pearson.
3. Khan & Jain, Basic Financial Management, TMH, New Delhi.
4. S N Maheshwari, Principles of Financial Management, Sulthan Chand & Sons, New Delhi.
5. Chandra & Chandra D Bose, Fundamentals of Financial Management, PHI, New Delhi.
6. B.Mariyappa, Advanced Financial Management, Himalaya Publishing House, New Delhi.
7. Ravi M Kishore, Financial Management, Taxman Publications
8. Prasanna Chandra, Financial Management, Theory and Practice, Tata McGraw Hill.

**Note:** Latest edition of text books may be used