

PROGRAM	Bachelors Of Commerce /Bachelors Of Commerce (Hons)
SEMESTER	V
COURSE TITLE	Advanced Financial Management
COURSE CODE	04BC0532
COURSE CREDITS	04
COURSE DURATION	48 Hrs (48 sessions of 60 minutes each)

COURSE OUTCOMES:

- Get acquainted with the basic framework of designing capital structure of a firm.
- Evaluate the risk aspect for analyzing investment decisions.
- Understand the importance of dividend policy and its relevance in the value of a firm.
- Identify and analyze the Credit Management and Credit Policies of the firm.
- Identify and analyze different methods for Financial Inventory Management.

Teaching and Examination Scheme

Teaching Scheme (Hours)			Credits	Internal Marks (50%)		End-Semester Examination (50%)			Total Marks
Theory	Tutorial	Practical		IA	CSE	Theory	Practical/Viva	Term Work (TW)	
3	1	0	4	30	20	50	0	0	100

Course Contents:

Unit No	Unit / Sub Unit	Sessions
I	Capital Structure Decision Capital Structure tradeoff(Equity - Debt, advantages and disadvantages), EBIT-EPS Analysis, ROI-ROE Analysis, Leverage Analysis(indifference point, financial break even point), Ratio Analysis(Interest Coverage ratio, Cash flow ratio, Debt Service Coverage ratio, Asset turnover ratio), Factors determining capital structure.	08
II	Risk Analysis in Capital Budgeting Introduction of Capital Budgeting Methods, Sources of Risk in Project, Statistical Techniques for Risk Analysis-Probability, Variance or Standard Deviation, Coefficient of Variation, Sensitivity Analysis and Scenario Analysis, Break-even Analysis, Simulation Analysis, Decision tree Analysis, Risk Management in Corporates. (Theory & Problems)	10
III	Dividend Policies Introduction, Ploughing Back of Profit, Factors affecting Dividend Decision, Issues	10

	in dividend policy, Bonus Share & Stock Splits, Different forms of dividend, Buyback of Shares. Theories of Dividend Policy - Walter's Model, Gordon's Model, The Miller and Modigliani (MM) Hypothesis and the concept of Dividend and Uncertainty - the bird in the hand argument.	
IV	Credit Management Introduction, Terms of payment, Credit policy Variables, Credit Evaluation, Credit Granting Decision, Control of Accounts Receivables, Credit Management in India.	10
V	Inventory Management Introduction to Inventories, Need for inventory, Ordering Quantity - EOQ Model, Order Point, Costing of Raw Materials and Valuation of Stock, Monitoring and control of Inventories, Inventory Management in India.	10

SUGGESTED READINGS:
Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year of Publication
T-01	Prashna Chandra	Financial Management	Mc Hill	8th Edition 2011

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition and Year of Publication
R-01	M. Y Khan and P. K. Jain	Financial Management	Mc Hill	8th Edition, 2013
R-02	I M Pandey	Financial Management	Vikas	11th Edition, 2015