

### ADVANCED FINANCIAL MANAGEMENT

Sem	Subject Code	Category	Lecture		Theory		Practical	Credits
I	21CPCO1A	Core I	6 hrs per week	90	6 hrs per week	90	-	5

#### COURSE OBJECTIVE:

To enable the students to identify and evaluate the exposure of a company to financial risk and the techniques required to manage this risk. To analyze the strategic financial issues in acquisition or merger, including valuation of the target company.

#### COURSE OUTCOMES:

On successful completion of the course, the student will be able

CO Number	CO Statement	Knowledge Level (K1 – K5)
CO1	To understand and explore the system of financial planning in Business	K2
CO2	To analyze alternative sources of finance and investment opportunities and their suitability in particular circumstances	K3
CO3	To evaluate the complex investment appraisal through cost of capital to the organization	K3
CO4	To understand and analyze the risk and return of investment	K4
CO5	To study the impact of working capital management on the strategic direction of the organization	K4

*\*Knowledge Level: K1- Remember; K2- Understand; K3- Apply; K4 Analyse*

#### MAPPING WITH PROGRAMME OUTCOMES

COS	PO1	PO2	PO3	PO4	PO5	PO6
CO1	S	M	S	S	M	S
CO2	S	M	S	M	M	M
CO3	S	M	S	S	M	M
CO4	M	S	M	S	M	S
CO5	S	S	M	M	M	S

S-Strong; M-Medium; L-Low

**Unit-I Financial Planning****25 Hours**

Definition of Financial Planning – Scope of Financial Planning – Objectives of Financial Planning – Factors Affecting Financial Planning – Essentials of sound Financial Plan- Limitations of Financial Plan – Capitalization – Theories of Capitalization – Over Capitalization and its causes – Remedies for over Capitalization.

**Unit-II Capital Structure/ Leverage****20 Hours**

Capital Structure- Meaning, Definition, Features, Factors Affecting Capital Structure, Theories of Capital Structure, Problems in Net Income Approach, Net Operating Income Approach.

Leverage- Meaning, Definition, Types of Leverage, Problem in Operating Leverage, Financial Leverage and Combined Leverage

**Unit-III Cost of Capital****10 Hours**

Cost of Capital- Meaning, Definition, and Features- Problems in Cost of Debt / Equity / Preference/ Retained Earning.

**Unit-IV Dividend Policy****15 Hours**

Dividend Policy- Meaning, Definition, Types of Dividend, Factors Affecting Dividend Policy, Theories of Dividend Policy, Problem in Walters Model, Gordons Model, M.M Modular.

**Unit-V Working Capital Management****20 Hours**

Working Capital Management- Meaning, Definition, Sources of Working Capital Management, Factors Affecting Working Capital, Operating Cycles of Working Capital, Problems in Operating Cycle / Working Capital Requirement Method.

**DISTRIBUTION OF MARKS: THEORY 40% AND PROBLEM 60%****TEACHING METHODOLOGY**

The course is covered by adopting a combination of lecture methods, class presentation by groups of students, self study sessions and PPT Presentations. Each student is required to do the back ground reading from the specified chapters of the prescribed book before coming to class.

**REFERENCE BOOKS**

S.No	Author	Title	Publisher	Year of Publications
1	Prasanna Chandra	Financial Management	Tata McGraw Hill Publishing Company Limited, Noida, UP	2010
2	S.N Maheswari	Financial Management	S.Chand& Sons Publisher, New Delhi	2008

3	L.J.Gitman&Dr.M. Manickam	Principles of Managerial Finance	Pearson Education, New York	2012
4	John H Hampton	Financial Decision Making	Prentice Hall of India Ltd	2014
5.	M.Y.Khan and P.K.Jain	Financial Management	Tata McGraw Hill Publishing Company Limited.	2010

#### **TEXT BOOKS**

<b>S.No</b>	<b>Author</b>	<b>Title</b>	<b>Publisher</b>	<b>Year of Publications</b>
1	I.M. Pandey	Financial Management	Vikas Publication, New Delhi	2015
2	Khan & Jain	Financial Management	Tata McGraw Hill Publishing Company Limited, Noida, UP.	2012
3	Dr. A. Murthy	Financial Management	Vijay Nicole	2016
4	Dr. J. Srinivasan	Financial Management	Vijay Nicole	2016
5.	P.V.Ratnam	Financial Management Theory, Problems and Solutions	Kitab Mahal	2014

#### **WEB SOURCES:**

1. [books.google.co.in](http://books.google.co.in)
2. [www.coursera.org](http://www.coursera.org)
3. [open.umn.edu.in](http://open.umn.edu.in)

#### **SYLLABUS DESIGNER:**

- Dr.R.Padmaja, Head and Associate Professor of Commerce.
- Dr.G.Bhavani, Assistant Professor of Commerce.
- Dr.K.Vinithi, Assistant Professor of Commerce.