

**Subject Code: 1MS1010506**

**Subject Title: Advanced Financial Management - I**

### 1. Course Objectives:

This course helps to develop a thorough understanding of the concepts and theories in financial management, to give an understanding of various financial decisions which has impact on shareholders and wealth creation and to develop familiarity with the analytical techniques helpful in financial decision making.

### 2. Teaching Scheme (Hours per week):

| Lecture<br>(Hrs.) | Tutorial | Practical | Credit | Evaluation Scheme (Marks) |                          |                          |                          |       |
|-------------------|----------|-----------|--------|---------------------------|--------------------------|--------------------------|--------------------------|-------|
|                   |          |           |        | Theory                    |                          | Practical                |                          | Total |
|                   |          |           |        | University<br>Assessment  | Continuous<br>Assessment | University<br>Assessment | Continuous<br>Assessment |       |
| 4                 | -        | -         | 4      | 70                        | 30                       | -                        | -                        | 100   |

### 3. Syllabus:

| Module No. | Contents                                                                                                                                                                                                                                                                                         | Total Hours | Weight |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|
| 1          | <b>Time Value of Money:</b><br>Concept of Time Value of Money, Rational of Time Preference For Money, Simple Interest, Compound Interest, Future Value, Present Value, Effective Rate, Sinking Fund Factor, Loan Amortization                                                                    | 12          | 25%    |
| 2          | <b>Valuation of Securities:</b><br>Nature of Value, Valuation of Assets, Valuation of Bond (Debenture), Bond yields: Yield to Maturity, Yield to Call and Current Yield, Value of Preference Share, Value of Equity Share                                                                        | 12          | 25%    |
| 3          | <b>Cost of Capital:</b><br>Concept, Basis Aspects, Importance of Cost of Capital, Classification of Cost, Computation: Cost of Debt, Cost of Preference Share, Cost of Equity Share and Cost of Retained Earnings, Computation of Weighted Average Cost of Capital, Capital Assets Pricing Model | 12          | 25%    |
| 4          | <b>Venture Capital: (Theory Only)</b><br>Meaning, Equity Financing Options, Features of Venture Capital, Types of Venture Capital, Stage of Venture Capital Investment, Selection of Investment By Venture Capital                                                                               | 12          | 25%    |

#### **4. Suggested Readings**

**Books:**

1. Financial Management – Principles and Practice by G. Sudarsana Reddy, Himalaya Publishing House Pvt. Ltd.
2. Financial Management by M. Y. Khan and P. K. Jain, Tata McGraw-Hill Publishing Company Limited, New Delhi
3. Financial Management by Prasanna Chandra, Tata McGraw-Hill Publishing Company Limited, New Delhi
4. Financial Management by I. M. Pandey, S. Chand, New Delhi
5. Financial Management by P. C. Tulsian, S. Chand, New Delhi