

**Subject Code: 1MS1010607**

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

### 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>Capital Structure:</b><br>Meaning, Optimum Capital Structure, Features of an Appropriate Capital Structure, Net Income Approach, Net Operating Income Approach, Modigliani-Miller approach, Traditional Approach                                                                                                                                            | 12          | 25%    |
| 2          | <b>Dividend Decision :</b><br>Forms of Dividend payment, Significance of Dividend policy in Financial Decision, Variables influencing Dividend Decision: Walter's Model, Gordon's Model and Modigliani - Miller's Model                                                                                                                                        | 12          | 25%    |
| 3          | <b>Analysis of Risk and Return:</b><br>Definition of Risk, Sensitivity Analysis, Statistical techniques for risk analysis: Probability, Expected NPV, Standard Deviation, Coefficient of Variation, Risk Evaluation Approach: Risk Adjusted Discount Rate Approach, Certainty Equivalent Approach, Probability Distribution Approach, Decision - Tree Approach | 12          | 25%    |
| 4          | <b>Leasing: (Theory Only)</b><br>Meaning of Leasing, Essential Elements of Leasing, Types of Lease Arrangements, Advantages of Leasing, Evaluation from                                                                                                                                                                                                        | 12          | 25%    |

|  |                                                                                |  |  |
|--|--------------------------------------------------------------------------------|--|--|
|  | the Lessee's Point of View and Evaluation of Lease From Lessor's Point of View |  |  |
|--|--------------------------------------------------------------------------------|--|--|

#### 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