

Subject Code: 2CM1010415	Subject Title: Advanced Financial Management
	COURSE TYPE : CORE ELECTIVE

Course Objective: To get expertise knowledge in financial management and evaluate various financial plans and get expertise in investment and financial decisions

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)		
Lecture	Tutorial	Practical	Credit	University Assessment	Institutional Assessment	Total
3	-	-	3	70	30	100

Subject Contents			
Sr. No	Topic	Total Hours	Weight (%)
1	Fundamentals of Financial Management: Meaning, nature and scope of finance; financial goal -profit vs. wealth maximization; Finance function: Traditional approach and Modern approach, -Investment, financing and dividend decisions. Classification of Finance functions, Executive functions and incidental functions, Role of Finance Manager.	9	25%
2	Capital Budgeting: Meaning of capital budget, capital budgeting, capital budgeting process. Nature of investment decisions; Investment evaluation criteria- Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI), Payback period (PBP), Accounting rate of return (ARR); NPV and IRR comparison; capital rationing;	9	25%
3	Cost of Capital: Meaning and significance of cost of capital; Calculation of cost of debt, preference capital, equity capital and retained earnings; Combined cost of capital (weighted); Marginal Cost of capital Cost of equity and CAPM.	9	25%
4	Capital Structure Theories: Net Income Approach, Net Operating Income Approach, Traditional and M.M hypotheses - without taxes and with taxes; Determining capital, structure in practice	9	25%

Reference Books:

1. Bhattacharya, Hrishikas : Working Capital Management : Strategies and
2. Chandra, Prasanna : Financial Decision Making, Prentice Hall, Delhi.
3. Khan MY, Jain PK: Financial Management; Tata McGraw Hill, New Delhi.
4. Pandey, I.M : Financial Management, Vikas Publishing House, Delhi.
5. Saravana Prasath B. 'Cost Accounting & Financial Management', C. Sitaraman Co., Chennai Techniques, Prentice Hall, New Delhi.
6. Tulsian P. C.: 'Financial Management', S. Chand & Co., New Delhi