Faculty of Commerce
M.Com (Semester– II)
In Effect from Academic Year 2026-27

Branch Name:	M.Com
Program Code:	CM201
Course Name:	Advanced Financial Management-II
Course Code:	3CM2010212
Pre-requisite Course:	Basics Management Theories and Practices up to B.com.

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

Teaching and Examination Scheme:

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)				
				Theory (Marks)		Practical (Marks)		
Lecture (L)	Tutorial (T)	Practical (P)	Credit	University Assessment	Continuous Assessment	University Assessment	Continuous Assessment	Total (Marks)
4	--	-	4	50	50	-	-	100

Subject Contents:

Sr. No	Topic	Total Hours	Weightage (%)
1	**Dividend Decisions:** Issues in dividend decisions, Walter's model, Gorden's model, M.M hypothesis, traditional approach of dividend, dividend and uncertainty, relevance of dividend; Dividend policy in practice; Form of dividends; Stability in dividend policy; Corporate dividend behaviour.	15	25%
2	**Management of Working Capital:** Meaning, significance and types of working capital; Calculating operating cycle period and estimation of working capital requirements; Financing of working capital and norms of bank finance; Sources of working capital; Factoring services; Various committee reports on bank finance; Dimension of working capital management.	15	25%
3	**A. Management of Cash:** Meaning of Cash Management, motives of holding cash, techniques of cash management, preparation of cash budget. **B. Management of Inventory:** Meaning of inventory, inventory management, techniques of inventory management, levels of inventory, economic order quantity.	15	25%
4	**Financial Risk Management:** **Meaning and Scope**: Understanding types of financial risks faced by firms—market risk, credit risk, liquidity risk, operational risk. **Risk Identification and Measurement**: Techniques to measure risk—standard deviation, beta, value at risk (VaR), stress testing. **Hedging Techniques**: Use of derivatives like forwards, futures, options, and swaps to manage financial risks. **Corporate Risk Policy**: Setting risk limits, diversification, insurance, and internal controls. **Integration with Financial Planning**: Aligning risk management with capital budgeting, dividend, and working capital decisions.	15	25%

Text Books:

- Advanced Financial Management & Accounting – by Vaibhav Sharma and others

Reference Books:

1. Bhattacharya, Hrishikas : Working Capital Management : Strategies and Techniques, Prentice Hall, New Delhi.
2. Chandra, Prasanna : Financial Decision Making, Prentice Hall, Delhi.
3. G. Sudarshan Reddy :Financial Management (Principle and Practice)
4. Khan MY, Jain PK: Financial Management; Tata McGraw Hill, New Delhi.
5. Philippe Jorion — Financial Risk Manager Handbook
6. Smithson & Wilford — Managing Financial Risk
7. Michel Crouhy, Dan Galai & Robert Mark — The Essentials of Risk Management

Course Learning Outcomes (CLO): On completion of this course, the students will be able to:

CLO	Description	Bloom's Taxonomy Level
CLO1	Understand the basic concepts, objectives, functions of financial management in business.	2 Understanding
CLO2	Explain and evaluate financial statements and apply tools of financial analysis for decision making.	2 Understanding, 3 Applying
CLO3	Analyze capital budgeting techniques to evaluate investment decisions and select profitable projects.	2 Understanding, 3 Applying
CLO4	Understand and apply concepts of capital structure and cost of capital in financing decisions.	2 Understanding
CLO5	Evaluate sources of long-term and short-term financing and their impact on financial planning.	3 Applying
CLO6	Analyze dividend decisions, working capital management, cash and inventory management, and financial risk management for effective financial decision-making.	2 Understanding, 3 Applying

Mapping of CLOs with Pos & PSOs

Course Learning Outcomes (CLOs)	Program Outcomes (POs)						Program Specific Outcomes (PSOs)	
	PO1	PO2	PO3	PO4	PO5	PO6	PSO1	PSO2
CLO1	H		H	M	M		M	M
CLO2		H	L			M	L	
CLO3	H		M	L	L	H	M	
CLO4		L	M	M	L		H	L
CLO5	M		L		M	M	H	H
CLO6		M	H	L	M		H	

H: High, M: Medium, L: Low