COURSE NO: THMO-139
ADVANCED FINANCIAL MANAGEMENT
TOTAL CONTACT HOURS: (60 HOURS)

Objective of the Course: At the end of this course, the student will be able to:

1. Understand the concepts, analytical techniques and practical applications of Financial Management.

Module I - Introduction to Financial Management (20 Hours)

Unit 1 Meaning, nature and scope of finance – Financial goal (profit vs. wealth maximization) – Finance functions – Investment, financing and dividend decisions – Organisation of Finance function – Finance and other related areas. [Theory only]


Module II - Financing Decisions (20 Hours)

Unit 1 Meaning and Importance of financing decisions - Meaning and significance of cost of capital – Calculation of cost of capital (debt, preference capital, equity capital and retained earnings) – Combined cost of capital (weighted) – Cost of equity and CAPM

Unit 2 Operating and Financial Leverage – Measurement of leverage - Effects of operating and financial leverage on profit – Analysing alternate financial plans – Combined / Composite Leverage [Including practical problems]

Unit 3 Capital Structure Theories (Net Income, Net Operating Income, Traditional, and M.M hypotheses) – Determining capital structure in practice. [Theory only]

Module III - Management of Working Capital (10 Hours)

Unit 1 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 – Various committee reports on bank finance – Dimensions of Working Capital Management – [Including practical problems]

Module IV - Dividend Policies (10 Hours)

Suggested Reading:

10. Ross, Westerfield and Jordan, Fundamentals of Corporate Finance (6/e), TMH, NW Delhi

Suggested Journals

1. Vikalpa
2. ICFAI Journal of Applied Finance