

JYOTI NIVAS COLLEGE AUTONOMOUS
Programme: BBA/ B. Voc(B&F)
Semester: V
FINANCE-ELECTIVE
ADVANCED FINANCIAL MANAGEMENT

No. of Credits: 4

No. of Hours: 60

COURSE OBJECTIVES:

- To give insight into the element of risk in financial decision-making.
- To familiarize the students with the theories of capital structure.
- To bring awareness among students regarding the impact of ethical issues on the investment and financing decision.

LEARNING OUTCOMES:

- Help the students to develop a risk management framework.
- The students become aware about the ethical issues to be managed at the time of investment and finance decisions.
- Students gain practical knowledge about the techniques of capital budgeting to be applied in investment decisions.

UNIT 1: RISK ANALYSIS

12 HRS

Risk analysis- types of risk, risk and uncertainty, techniques of measuring risk(theory only), assessment of the organization's exposure to business and financial risk, framework for risk management, comparing and contrasting risk, mitigation, hedging and diversification strategies.

UNIT 2: CAPITAL BUDGETING

14 HRS

Meaning and importance of capital budgeting in decision making- Techniques of investment appraisal—Discounted Pay-back period, Risk adjusted discount rate approach, sensitivity analysis, probability approach, decision tree analysis.

UNIT 3: CAPITAL STRUCTURE THEORIES AND COST OF CAPITAL

14 HRS

Introduction to capital structure, Capital Structure Theories, Net Income approach, Net Operating Income Approach, Traditional Approach, MM Approach.CAPM. Cost of capital - equity, preference debt and overall cost of capital (WACC Problems)

UNIT 4: ETHICAL AND GOVERNANCE ISSUES

12 HRS

Ethical issues in financial management-Insider trading- conflict of interest, shareholders rights violation, agency relationship- transaction cost theory- governance structure and policies- social and environment issues- impact of investment and

financing strategies and decisions on the organization's stakeholders- measures to improve ethic and governance.

UNIT 5: CONTEMPORARY TRENDS IN FINANCIAL MANAGEMENT 08 HRS

Crypto currency, Block Chain technology, Cloud funding, Digitisation of financial transaction,

Green Capital, Sustainable Finance – Meaning, features, advantages and disadvantages.

UN's sustainable development goals, Financial frauds/crimes – Case studies.

SKILL DEVELOPMENT ACTIVITIES:

- Compute capital budgeting techniques to choose the best investment portfolio for a corporate firm.
- Collect data of financial ethical policies followed by major companies.
- Regulatory framework for topics under unit 5.

BOOKS FOR REFERENCE:

- I M Pandey, Financial Management. Vikas Publication.
- Prasanna Chandra, Financial Management, TMH
- S N Maheshwari, Financial Management, Sultan Chand
- Khan and Jain, Financial Management, TMH
- Dr.V Rajesh kumar and Nagaraju V, Financial management, M H India
- Dr.Aswathanarayana.T, Financial Management, VBH
- K.Venkataramana, Financial Management, SHBP
- G.Sudarshan Reddy, Financial Management, HPH
- Sharma and Shashi Gupta, Financial Management, Kalyani Publication

Note: Latest edition of books for reference may be used.