

Financial Management 2

Course Objectives

This course enables the students to familiarize with management and analysis of financial performance, capital structure planning, dividend policy, working capital management and some of the emerging areas in financial management.

Syllabus

The syllabus of the course includes financial performance, capital structure decisions, dividend policy, working capital management and some emerging areas in financial management.

Expected Outcome

This course will enable the students to have sound knowledge on performance analysis of firms, Capital Structure planning, dividend policy and Working capital management

References

1. Brealey, Richard A and Stewart CMyers. Principles of Corporate Finance. McGraw Hill India, 2012.
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3. Chandra, Prasanna Financial Management, Theory & Practice. Tata McGraw Hill, 2014.
4. Damodaran, Aswath. Corporate Finance: Theory and Practice (4/e). Wiley India, 2012.
5. Gitman, Lawrence J and Chad J Zutter. Principles of Managerial Finance (14/e). Pearson Education, 2007.
6. Kapil, Sheeba. Financial Management. Pearson Education India, 2010.
7. Khan, M Y and P K Jain. Financial Management: text, problems and cases. New Delhi: Tata Mc- Graw Hill, 2013
8. Kishore, Ravi M. Financial Management: Comprehensive Text Book with Case Studies (7/e). Taxmann Allied Services, 2009.
9. Kothari, Rajesh and Bobby Dutta. Contemporary Financial Management. McMillan Publishers, India, 2005.
10. Pandey, IM. Financial Management. Vikas Publishing House, 2009.
11. Reddy, G Sudarsana. Financial Management. Himalaya Publishing House, 2011.

12. Ross, Stephen, Randolph Westerfield and Bradford Jordan. Fundamentals of Corporate Finance, McGraw Hill, 2010.
13. Sharan, Vyuptakesh. Fundamentals of Financial Management. Pearson Education, 2012.
14. Srivastava, Rajiv and Anil Misra. Financial Management. Oxford University Press India, 2011.
15. Vanhome, James C. Financial Management and Policy (12/e). Pearson Education, 2002.
16. Vanhorne, James C and John M Wachowicz (Jr). Fundamentals of Financial Management, (13/e). Pearson Education, 2010.

Course Plan

I Financial Performance Analysis: Trend analysis; Ratio analysis- liquidity ratios, leverage ratios, activity ratios, profitability ratios, , market capitalization ratios - Inter firm comparison - Common Size Statement – Comparative Statements and Trend Analysis.

II Capital structure planning - optimum capital structure - financial leverage, operating leverage and combined leverage -.

First Internal Examination

II capital structure theories - net income approach - net operating income approach -Modigliani and Miller (MM) approach -traditional approach - Factors affecting Capital structure

III Dividend Policy - factors influencing dividend policy stable dividend policy-forms of dividend - cash dividend - bonus shares - stock split - buyback of shares – dividend policy and value of firms - models - Walter's model - Gordon's Model - MM Irrelevance Approach - the bird-in-the hand argument.

Second Internal Examination

IV Working capital management - concepts of working capital - issues in working capital management – operating cycle and determinants of working capital - estimation of working capital, Management of cash - management of the receivables, Inventory management - financing of working capital - trade credit - accrued expenses and deferred income - bank finance for working capital

V Emerging areas in Financial Management: Corporate restructuring, mergers and acquisition - Behavioural finance, and Financial engineering

Trimester Examination