# GUJARAT UNIVERSITY SYLLABUS FOR T.Y. BBA SEMESTER-VI

**SUBJECT ELECTIVE COURSE (SEC)- 314 ADVANCED FINANCIAL MANAGEMENT – 2**

## Introduction

Over the last two decades, Indian business and finance have considerably changed owing to deregulation, liberalization, privatization and globalization. In wake of these changes and developments, the subject of Advanced Financial Management has assumed all the more importance.

## Objectives

1. To give an insight to the students from the basic level to higher level of analysis
2. To introduce the students to various techniques of taking long term investment decisions
3. To familiarize the students with various financial tools and techniques

**Unit 1: Capital Budgeting**

* Capital Budgeting problems using NPV for the following decisions:
  1. Replacement
  2. Mutually Exclusive
* Depreciation calculation using:

1. SLM
2. WDV
3. Block of Assets

**Unit 2: Working Capital & EVA**

1. Working Capital Estimation
   * Sums of estimating working capital excluding double shift
2. Economic Value Added (EVA)
   * Concept of EVA
   * Problems using EVA formula as per Khan & Jain

**Unit 3: Capital Structure Theories**

* + Meaning of Capital Structure
  + Features of Appropriate Capital Structure
  + Factors affecting Capital Structure
  + Capital Structure Theories‐(Excluding Sums) Net Income Approach, Net Operating Income Approach, Traditional Approach, Modigliani – Miller Thesis

**Unit 4: Corporate Financial Restructuring**

* + Meaning of Corporate Restructuring and reasons for it
  + Meaning of Financial Restructuring
  + Techniques of Corporate Restructuring:

1. Mergers
2. Takeovers
3. Joint Ventures
4. Divestitures
5. Slump Sale
6. Strategic Alliance
7. Equity Carve out
8. Franchising
9. Holding Companies
10. Sell off
11. Going Private
12. Liquidation
13. Reverse Bid
14. Reverse Merger
15. Demerger
16. Management Buy-In
17. Management Buy-Out
18. Leveraged Buy-Out

## Topics for Assignment

1. Approaches to Capital Structure
2. Analysis of Capital Budgeting Proposals.
3. Estimation of Working Capital finance in a company.
4. Working Capital financing by banks

## Topics for Seminar and Presentation

1. Project Planning and Control.
2. Project Appraisal by financial institutions.
3. Practical Application of Capital Structure Theories
4. A Case Study on Mergers and Acquisitions

**Recommended Textbooks:**

1. Financial Management by Khan & Jain (5th Edition), McGraw Hill – For Units 1 & 2
2. Strategic Financial Management by Ravi M Kishore (2nd Edition), Taxmann – For Units 3 & 4

**Reference Books:**

1. Financial Management by Prasanna Chandra (7th Edition), Tata McGraw Hill
2. Financial Management by I M Pandey (9th Edition), Vikas Publishing