

**Veer Narmad South Gujarat University**  
**Bachelor of Business Administration**  
**Year – III (Semester – V) (W.E.F. A.Y.2021-22)**

**Subject Name: Advance Financial Management**  
**(Finance Elective Group)**  
**Subject Code: FSE-1 505**

**Objectives of the course:**

- To equip to students with basic tenets of long term financial decision-making.

**Teaching Pedagogy:**

Lectures, PowerPoint presentations, Group Work

**Course Content:**

**1. Valuation of Securities(Numeric) (30%)**

Concept of value, Importance of Valuation, Bond Valuation :- Basic bond valuation, semi-annual interest payment, effect of relation between required rate of return & coupon rate on bond values, effect of years to maturity on bond values, yield to maturity, perpetual bonds. Equity valuation: Divided capitalization (Single period/ Multi period), Earnings capitalization Techniques (Numeric), Give a small assignment on equity valuation from BSE and NSE listed companies

**2. Cost of Capital(Numeric) (30%)**

Meaning & significance, explicit & implicit cost, Cost of debt, equity and retained earnings, Cost of equity through dividend capitalization approach, realized yield method, CAPM & earning price method, weighted average cost of capital

**3. Capital Structure(Numeric) (20%)**

Meaning and Significance, Net Income, Net Operating Income, Traditional & MM Theory (Including Arbitrage)

**4. Assets Financing and Venture Capital (20%)**

Lease Financing: Concept, Classification, Essential Elements, Significance and Limitations, Hire – Purchase Finance: Conceptual Framework, Parties to a Hire Purchase Contract and Lease Financing vs. Hire Purchase Financing, Venture Capital: Theoretical Framework, Features, Selection of Investment, Stages of Financing and Indian Venture Capital Scenario

**Suggested Reading:**

- Pandey, I.M. (2010) Financial Management, Vikas Publishing House Pvt. Ltd. NewDelhi.
- Jain, P.K. and M.Y. Khan. (2007) Financial Management, 6th Edition. New Delhi: Tata McGraw-Hill Publishing Company Limited. □

- Bhala, V.K. (2006) Financial Management and Policy. New Delhi: Anmol Publication Pvt. Ltd. □
- Prasanna Chandra, Financial Management-Theory Practice, Tata McGraw Hill Publication

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