



SRM UNIVERSITY
Faculty of Science and Humanities
Department of Corporate Secretaryship and Accounting & Finance Science
(I.M.Com – AF)

Subject Name: Advanced Financial Management

Sub. Code: (PAF14202)

Staff Name: M. Jothi

No. of Hrs. Per week: 5

Reference Books:

1. Khan and Jain, “Financial Management: Text, Problems and Cases,” The Tata Mcgraw-Hill Publishing Company Ltd, New Delhi, 2008 (Units 1, 3, 5)
2. VK Saxena and CD Vashist, “ Basics of financial Management”, Sultan Chand& Sons, first edn, 2002 (Units 2, 3)

Unit I: Financial Management – Nature, Scope and Objectives – Financial decisions – Relationship between risk and Return – role and functions of financial manager – Time value of money – EMI calculation – concept of value and return

S.no	Day order	Hr	Description	Reference with chapter
1			Introduction to Financial Management	RB : 1 – Chapter 1
2			Nature and Scope	RB : 1 – Chapter 1
3			Objectives of FM	RB : 1 – Chapter 1
4			Objectives of FM	RB : 1 – Chapter 1
5			Financial decisions - nature	RB : 1 – Chapter 3
6			Risk and Return	RB : 1 – Chapter 3
7			Liquidity and Profitability	RB : 1 – Chapter 3
8			Role of Financial Manager	RB : 1 – Chapter 1
9			Functions of Financial Manager	RB : 1 – Chapter 1
10			Time value of Money	RB : 1 – Chapter 2
11			EMI calculation	RB : 1 – Chapter 2
12			Concept of value and Return	RB : 1 – Chapter 3

Unit II: Cost of capital – Meaning and importance – Cost of debts, preference, equity and retained earnings – weighted average cost of capital – capital budgeting – techniques – ROI, payback period and discounted cash flow. (Problems)

S.no	Day	Hr	Description	Reference with chapter
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	order		
13		Introduction to Cost of Capital	RB : 2 – Chapter 5
14		Nature and Importance	RB : 2 – Chapter 5
15		Cost of Debt. (Exercise)	RB : 2 – Chapter 5
16		Cost of Preference (Exercise)	RB : 2 – Chapter 5
17		Cost of Equity (Exercise)	RB : 2 – Chapter 5
18		Cost of Retained Earnings (Exercise)	RB : 2 – Chapter 5
19		Weighted Avg. Cost of Capital (Exercise)	RB : 2 – Chapter 5
20		Other Exercises	RB : 2 – Chapter 5
21		Capital Budgeting Techniques	RB : 2 – Chapter 7
22		ROI (Exercise)	RB : 2 – Chapter 7
23		Payback period (Exercise)	RB : 2 – Chapter 7
24		Discounted Cash Flow (Exercise)	RB : 2 – Chapter 7
25		Other exercises	RB : 2 – Chapter 7
26		Other exercises	RB : 2 – Chapter 7
27		Other exercises	RB : 2 – Chapter 7

Unit III: Financial leverage – measures – EBIT, EPS Analysis – operating leverage – financial – business and operating risks – Theories of capital structure – net income approach – net operating income approach – MM Hypothesis p Determinants of capital structure – leasing – Nature and types of leasing – advantages and disadvantages of leasing – financial evaluation of leasing

S.no	Day order	Hr	Description	Reference with chapter
28			Intro & Measures of Financial Leverage	RB : 2 – Chapter 5
29			EBIT & EPS Analysis	RB : 2 – Chapter 5
30			EBIT & EPS Analysis	RB : 2 – Chapter 5
31			Operating Leverage and Risk	RB : 2 – Chapter 5
32			Financial Leverage and Risk	RB : 2 – Chapter 5
33			Intro to Capital Structure theories	RB : 2 – Chapter 5
34			Net Income Theory	RB : 2 – Chapter 5
35			Net Operating Income theory	RB : 2 – Chapter 5
36			MM Hypothesis	RB : 2 – Chapter 5
37			MM Hypothesis	RB : 2 – Chapter 5
38			Determinants of capital structure	RB : 2 – Chapter 5
39			Intro to Lease finance	RB : 1 – Chapter 25
40			Types of Leasing	RB : 1 – Chapter 25
41			Advantages and disadvantages	RB : 1 – Chapter 25
42			Financial evaluation	RB : 1 – Chapter 25

Unit IV: Dividend Theories – Walter’s Model – Gordon and MM’s Models – Dividend policy – forms of dividend – determinants of dividend policy (Problems)

S.no	Day order	Hr	Description	Reference with chapter
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43			Intro to dividend theories	RB : 1 – Chapter 30
44			Types of theories involved	RB : 1 – Chapter 30
45			Walter's Model (Exercise)	RB : 1 – Chapter 30
46			Walter's Model (Exercise)	RB : 1 – Chapter 30
47			Walter's Model (Exercise)	RB : 1 – Chapter 30
48			Gordon's Model (Exercise)	RB : 1 – Chapter 30
49			Gordon's Model (Exercise)	RB : 1 – Chapter 30
50			Gordon's Model (Exercise)	RB : 1 – Chapter 30
51			MM's Model (Exercise)	RB : 1 – Chapter 30
52			MM's Model (Exercise)	RB : 1 – Chapter 30
53			MM's Model (Exercise)	RB : 1 – Chapter 30
54			Intro to Dividend Policy	RB : 1 – Chapter 31
55			Forms of dividend	RB : 1 – Chapter 31
56			Determinants of dividend Policy	RB : 1 – Chapter 31

Unit V: Management of working capital – concept – Importance – Determinants and computation of working capital – management cash, Inventory and Receivables – Regulations of Bank Credit to Industry (Problems)

S.no	Day order	Hr	Description	Reference with chapter
57			Intro to Working Capital Management	RB : 1 – Chapter 13
58			Types of Working Capital	RB : 1 – Chapter 13
59			Importance of Working Capital	RB : 1 – Chapter 13
60			Determinants of Working Capital	RB : 1 – Chapter 13
61			Computation of Working Capital-Exercise	RB : 1 – Chapter 13
62			Computation of Working Capital-Exercise	RB : 1 – Chapter 13
63			Computation of Working Capital-Exercise	RB : 1 – Chapter 13
64			Computation of Working Capital-Exercise	RB : 1 – Chapter 13
65			Computation of Working Capital-Exercise	RB : 1 – Chapter 13
66			Management of Cash	RB : 1 – Chapter 14
67			Management of Cash	RB : 1 – Chapter 14
68			Management of Cash	RB : 1 – Chapter 14
69			Management of Inventory	RB : 1 – Chapter 16
70			Management of Inventory	RB : 1 – Chapter 16
71			Management of Inventory	RB : 1 – Chapter 16
72			Management of Receivables	RB : 1 – Chapter 15
73			Management of Receivables	RB : 1 – Chapter 15
74			Regulations of Bank Credit	RB : 1 – Chapter 17
75			Regulations of Bank Credit	RB : 1 – Chapter 17

