### Veer Narmad South Gujarat University

#### FSE-1: 505 – Advance Financial Management (Finance Elective Group)

###### Third Year BBA(Semester5) With Effect from A.Y.2021-22

**Objectives of the course:**

* + To equip to students with basic tenets of long term financialdecision-making.

**Teaching Pedagogy:**

Lectures, PowerPoint presentations, Group Work

**Course Content:**

1. Valuation ofSecurities(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 listedcompanies

1. **Cost ofCapital(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 ofcapital

1. **CapitalStructure(Numeric) (20%)**

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

1. **Assets Financing andVentureCapital (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 CompanyLimited.
  + Bhala, V.K. (2006) Financial Management and Policy. New Delhi: Anmol PublicationPvt. Ltd.
  + Prasanna Chandra, Financial Management-Theory Practice, Tata McGraw HillPublication