

<b>Semester: VII</b>				
<b>Course Title: Advanced Financial Management</b>				
<b>Course Code: C4BC230731T</b>			<b>Credits: 5</b>	
<b>Category: Major (Core)</b>				
<b>Theory/Practical/Composite : Theory</b>				
<b>Course Overview:</b> This course focuses on advanced topics that are essential for strategic decision-making in a dynamic business environment. Key areas include investment decisions under uncertainty, business valuation, mergers and acquisitions, and financial innovations like securitization. The course integrates theory with practical applications and real-world examples to equip students with the analytical tools required to solve complex financial problems and create long-term value for firms.				
<b>Course Outcome:</b>				
1. Explain the role of the CFO and the interface between financial policy and strategic management in creating long-term value for the firm. <i>Cognitive Level: Remember (K1) and Understand (K2)</i>				
2. Evaluate complex investment decisions under uncertainty using advanced capital budgeting techniques such as simulation, sensitivity analysis, and real options. <i>Cognitive Level: Remember (K1), Analyze (K4) and Evaluate (K5)</i>				
3. Assess the financial and strategic implications of business valuation and its applications in mergers, acquisitions, and corporate restructuring, including integration strategies. <i>Cognitive Level: Apply (K3) , Analyze (K4) and Evaluate (K5)</i>				
4. Demonstrate an understanding of securitization, its mechanism, benefits, risks, and relevance in the evolving financial ecosystem. <i>Cognitive Level: Remember (K1) and Understand (K2)</i>				
<b>SYLLABUS</b>				
<b>Unit with topic name</b>	<b>Content</b>	<b>Number of Classes</b>	<b>CO Mapping</b>	<b>Cognitive Level</b>
I. Introduction to Financial Policy and Corporate Strategy	i. Advanced role of the CFO in value creation and strategic leadership ii. Strategic decision-making frameworks and tools iii. Interface of financial policy and strategic management iv. Balancing financial goals with sustainable growth and stakeholder interests	8	CO1	<b>Remember (K1) and Understand (K2)</b>
II. Advanced Capital Budgeting and Investment Decisions	i. Complex investment scenarios: differing project lives, investment timing ii. Inflation impact on capital budgeting iii. Capital budgeting under risk and uncertainty iv. Risk analysis tools: sensitivity & scenario analysis v. Project selection under risk: certainty equivalent & Risk Adjusted Discount Rate (RADR) vi. Replacement decisions and capital rationing vii. Adjusted Present Value (APV) approach	20	CO2	<b>Remember (K1), Analyse (K4) and Evaluate (K5)</b>

	viii. Project planning and evaluation			
III. Business Valuation	i. Conceptual Framework of Valuation ii. Approaches/ Methods of Valuation - a) Assets Based Valuation Model, b) Earning Based Models, c) Cash Flow Based Models, and d) Measuring Cost of Equity using Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory and Estimating Beta of an unlisted company. iii. Relative Valuation - Steps involved in Relative Valuation, Equity Valuation Multiples and Enterprise Valuation Multiple iv. Other Approaches to Value Measurement - Economic Value Added (EVA), Market Value Added (MVA) and Shareholder Value Analysis (SVA)	16	CO3	<b>Apply(K3), Analyse(K4) and Evaluate (K5)</b>
IV. Corporate Restructuring	i. Rationale and forms of M&A ii. Financial framework for M&A iii. Takeover defences, reverse mergers iv. Divestitures: partial sell-offs, demergers, carve-outs v. Ownership restructuring: going private, going private, management buyouts (MBOs) / leveraged buyouts (LBOs) vi. Unlocking value through restructuring	8	CO3	<b>Apply (K3), Analyse (K4) and Evaluate (K5)</b>
V. Securitization	i. Introduction and concept of securitization ii. Benefits and key participants iii. Mechanism and structure iv. Risks and challenges v. Tokenization as a modern financial innovation	8	CO4	<b>Remember (K1) and Understand (K2)</b>

#### Text Books

1. M.Y. Khan & P.K. Jain – Financial Management, TMH
2. R.P. Rustagi – Financial Management, Taxmann
3. Van Horne – Fundamentals of Financial Management, PHI
4. P. Chandra – Financial Management, TMH
5. I.M. Pandey – Financial Management, Vikas

#### Suggested readings

1. Van Horne – Financial Management & Policy, Pearson
2. Copeland, Weston & Shastri – Financial Theory and Corporate Policy, Pearson

#### Web Resources

1. <https://elibrary.in.pearson.com>
2. [www.icaai.org](http://www.icaai.org)
3. [www.researchgate.net](http://www.researchgate.net)
4. [www.accaglobal.com](http://www.accaglobal.com)

### Course outcomes (COs) and Cognitive Level Mapping

<b>COs</b>	<b>CO Description</b>	<b>Cognitive levels</b>
<b>CO1</b>	Explain the role of the CFO and the interface between financial policy and strategic management in creating long-term value for the firm.	<b>Remember (K1) and Understand (K2)</b>
<b>CO2</b>	Evaluate complex investment decisions under uncertainty using advanced capital budgeting techniques such as simulation, sensitivity analysis, and real options.	<b>Remember (K1), Analyze (K4) and Evaluate (K5)</b>
<b>CO3</b>	Assess the financial and strategic implications of business valuation and its applications in mergers, acquisitions, and corporate restructuring, including integration strategies.	<b>Apply (K3), Analyze (K4) and Evaluate (K5)</b>
<b>CO4</b>	Demonstrate an understanding of securitization, its mechanism, benefits, risks, and relevance in the evolving financial ecosystem.	<b>Remember (K1) and Understand (K2)</b>