VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT

M.COM.II (Semester – IV)

FINANCIAL MANAGEMENT PAPER – 2 (PAPER NO: 402)

(Syllabus effective from Academic Year 2022-23)

Objectives:

1. To acquaint the students with the principles and practices of management so as to enable them to develop an integrated approach to Financial Management.
2. To develop analytical and decision- making aptitude of the students through case studies.

Unit	Course Contents	Weightage
1.	**CORPORATE RESTRUCTURING – 1** Forms of Corporate Restructuring Device of Acquisition or Expansion a) Merger : Types,Reasons, Cost and Benefits of Merger b) Purchase of Division / Unit c) Takeover : Types Regulation of Takeover, Guidelines of SEBI d) Advantages and Disadvantages of Merger, Absorption, Purchasing and Takeover. Defensive Measures against Hostile Takeover.	10%
2.	**CORPORATE RESTRUCTURING – 2** (A) Forms of Sell Offs : Divestitures, Spin Offs, Split Ups (B) Changes in Ownership and Control :– Going Public, Privatization and Disinvestments, Leveraged Buy Outs, Buy Back of Shares, Joint Venture	10%
3.	**LEASE FINANCE:** Lease Financing, Meaning, Characteristics, Types, Advantages & Disadvantages. Difference between Financial Lease & Operating Lease. Mechanics of Leasing, Lease Buy Decision an Evaluation, Hire Purchase Finance.	10%
4.	**ANALYSIS OF FINANCIAL PERFORMANCE:** Objectives of Financial Analysis and Interpretation Methods of Analyzing Financial Statements (a)Ratio Analysis (b) Comparative Analysis (c) Du Pont Analysis **Leverage**	10%

	Types Of Leverage : **(A)Operating Leverage :** Meaning, Definition, Sensitivity of Operating Profit, Utilities of Operating Leverage **(B)Financial Leverage :** Meaning, Effects, Financial Break Even Point, Degree of changer in EBIT on DFL – Utilities of Financial Leverage, Advantages and Limitations, Essential Conditions for Financial Leverage **(C)Combined Leverage or Total Leverage :** Degree of Combined Leverage ;Sensitivity of EPS to changes in Sales Volume, Utilities of Combined Leverage	
5.	**INTANGIBLE INSENTIVE COMPANIES :** Features of Intangible Assets or Intangible Intensive Firms. Implications for Financial Management Types of Intangible Assets and Approaches to Valuation The Economic Approaches to Valuation Infosys Technologies : An example of Intangible Intensive Company	**10%**
6.	**INTERNATIONAL FINANCIAL MANAGEMENT :** Basic Problems in International Financial Management Role of FPI in India, Domestic v/s International Financial Management	**10%**
7.	**INFLATION, RECESSION AND FINANCIAL MANAGEMENT :** **(A)Inflation :** Meaning, Definition, Effects on Financial Management and its Remedies **(B)Recession :** Meaning, Definition, Effects on Financial Management and its Remedies	**10%**
8.	**HYBRID FINANCING AND CORPORATE GOVERNANCE :** **(A)HYBRID FINANCING (General Concept)** Basic Source of Financing : (a) Preference Capital (b) Features of Warrants and Convertible Debenture (c) Valuation of Warrants (d) Valuation of Compulsorily Convertible Debentures (e) Valuation of Optionally Convertible Debentures (f) Motives for Issuing Warrants Convertible Debentures	**10%**

	(g) Innovative Hybrid **(B) CORPORATE GOVERNANCE (General Concept)** Basic , Organization of Corporate Governance : (a) Divergence of Interest (b) Devices for Containing Agency Costs (c) Corporate Governance in Industrially Developed World (d) Corporate Governance in India (e) Reforming Corporate Governance (f) Legal Provisions and SEBI Code (g) Executive Compensation (h) Employee Stock Option Scheme	
9.	**CASE STUDY:**	**20%**

NOTE: Paper setter should consider syllabus and not any reference book ortext books.

REFERENCE BOOK :

1. Financial Management and Policy – Van Horne 4th Add.
2. Financial Management – Macmillan
3. Financial Management – Khan and Jain 4th Add.
4. Money and Financial System – Sudhir Prakashan and Dr.D.D. Desai Uni 2008
5. Financial Management – B.S. Shah Prakashan
6. Financial Analysis and Financial Management – R.P. Rustagi 3rd Add.
7. Indian Financial System – Khan 4th Add.
8. Financial Management – Brighan – Ehrahardt – 11th Add.
9. Financial Management – Prasanna Chandra – 7th Add.
10. Financial Management – I.M.Pnadey – 9th Add.
11. Corporate Finance Theory and Practice – A. Damodaran
12. Introduction to Financial Management – L.D. Schall and C.W.Holey
13. Financial Management Principle and Practice – Dr.S.N. Maheshwari
14. Financial Management – Ravi M. Koshore
15. Financial Management – Theory and Practice – Eugene Brigham and Michael C. Erhardt
16. Investment Management - V.K. Bhalla.