

Objective: This course enables students to understand financial management from the strategic perspective.

Unit – I: Introduction to strategic financial management – Objective and importance of strategic financial management-conceptual framework-the nature and scope of financial strategy-modern finance theory-evaluation of costs and benefits-models for strategic financial management.

Business valuation methods – dividend yield method – earnings yield method – earnings ratio method – ROI valuation method – Capital Asset Pricing Model – Dividend growth valuation model (problems).

Unit – II: Valuation of securities: Approaches to corporate valuation, valuation of equities including cash flow, dividends and earnings approach – valuation of debts – valuation of convertibles and derivatives. Black Sholes Model valuation for mergers and acquisitions.

Unit – III: Financial restructuring: Concept of financial restructuring-mergers and acquisitions - forms and motives of mergers and acquisitions – methods of payment in M&A (problems)- Formulation of mergers and acquisition strategy – regulations of M & A in India – Divestitures – Leveraged buy-out –leveraged recapitalization-spinoffs-carve outs.

Unit – IV: Corporate restructuring – Introduction – nature of corporate restructuring – motives for corporate restructuring – dimensions of corporate restructuring – designing corporate restructuring programme (CRP) – problems in implementing CRP – techniques of corporate restructuring.

Unit – V: Sources of Finance – Bench marking practices – innovative sources of finance – funding strategies – financial re-organization – sources of value generation through Leveraged buy outs (LBO), international sources of financing – Global Depository Receipt (GDR), American Depository Receipt (ADR).

Text books:

1. Alan Hill: R.A. Hill and Ventus Publishing, ISBN 978-87-7061-426-9
2. Prasanna Chandra, Financial Management Theory and practice, Tata McGraw Hill.2.Prasanna

Reference Books:

1. IM Pandey: 'Financial management' Vikas Publishing House pvt Limited
2. Brigham & Houston : 'Fundamentals of financial management'.
R.M.Srivastava, 'Financial Management', Pragathi prakashan, Meerut.