

# C P PATEL AND F H SHAH COMMERCE (AUTONOMOUS) COLLEGE, ANAND

(Managed by SARDAR PATEL EDUCATION TRUST, ANAND)

AFFILIATED TO SARDAR PATEL UNIVERSITY, V V NAGAR

An ISO 9001 2015 Certified / An ISO 14001-2015 Certified / An ISO 21001-2018 Certified  
GUJARAT INSTITUTIONAL RATING FRAMEWORK (4 STAR)

AAA Reaccredited CGPA 3.56 – GRADE **A<sup>+</sup>** KCG-Dept of Edu. Govt. of Gujarat-April 2017

NAAC Reaccredited - CGPA 3.30 - GRADE **'A<sup>+</sup>'** UGC – MHRD, Govt. of India – June 2022

Syllabus as per NEP 2020 with effect from the Academic Year 2024-2025

## Master of Commerce (MCOM)

Semester –IV

<b>Course Code</b>	<b>PG04ECOM04</b>	<b>Title of the Course</b>	<b>STRATEGIC FINANCIAL MANAGEMENT-II</b>
<b>Total Credits of the Course</b>	<b>04</b>	<b>Hours per Week</b>	<b>04</b>

<b>Course Objectives</b>	1. To understand corporate strategy formulation with respect to investment, financing and dividend decisions and IT application for financial value creation.
	2. To learn the techniques of determining optimal capital Structure
	3. To understand the Walter's, Gordon's, & Miller's Model of Dividend
	4. To understand type of dividend policies corporations frequently use.

### Course Content

<b>Unit</b>	<b>Description</b>	<b>Weightage (%)</b>
<b>1.</b>	<b>Capital Structure Theories (Theory and Examples):</b> Assumption & Significance, Concept of Optimum Capital Structure, Net Income Approach, Net Operating Income Approach, Traditional Approach, Modigliani & Miller Approach	<b>25%</b>
<b>2.</b>	<b>Capital Structure Planning &amp; Policy (Theory):</b> Capital Structure Planning and Policy – Elements of Capital Structure – Framework for Capital Structure (The FRICT Analysis) – Approaches to establish target capital structure – Practical considerations in determining capital structure – Manager's Attitude towards debt	<b>25 %</b>
<b>3.</b>	<b>Dividend Theories (Theory and Examples):</b> Walter's Model, Gordon's Model, Modigliani – Miller's Model	<b>25%</b>
<b>4.</b>	<b>Dividend Policy Decision (Theory):</b> Meaning of Dividend, Terminology on Dividend Declaration, Forms of Dividend payment, Interim Dividend, Variables influencing Dividend Decision, Share Split, Reverse Stock Split, Buyback of Share	<b>25 %</b>

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<b>Teaching-Learning Methodology</b>	<ul style="list-style-type: none"><li>• Lecture method</li><li>• Online Exercises</li><li>• Case study method</li><li>• Activity Based Learning</li></ul>
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<b>Evaluation Pattern</b>		
<b>Sr. No.</b>	<b>Details of the Evaluation</b>	<b>Weightage</b>
1.	Internal Written Examination	20%
2.	Internal Continuous Assessment in the form of Practical, Viva-Voce, Quizzes, Seminars, Assignments, Attendance	10%
3.	External Examination	70%

<b>Course Outcomes</b>	
1.	Understand the theories of the relationship between capital structure and the value of the firm.
2.	Learn about arbitrage in financial markets.
3.	Formulate basic understanding of designing capital structure in the organization.
4.	Students understands relation between dividend policy and value of the firm.
5.	Understand the factors that influence a firm's dividend policy.
6.	Get insights on the importance of the stability of dividend, bonus shares and stock splits and the share buyback.

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Suggested References	
Sr. No.	References
1	Pandey, I. M. (2016). Financial Management (Eleventh ed.). New Delhi, India: Vikas Publishing House.
2	Chandra, P. (2019). Financial Management, Theory and Practice (Tenth ed.). Chennai, India: McGraw-Hill.
3	Khan, M. Y., & Jain, P. K. (2011). Financial Management (Sixth ed.). New Delhi, India: McGraw Hill Education.
4	Van Horne, J. C. (2008). Fundamentals of Financial Management (13h ed.). Chennai, India: Pearson Education.
5	Gupta, J. B. (2016). Strategic Financial Management (9th ed.). New Delhi, India: Taxmann Publications Pvt. Ltd.
6	Kishore, R. M. (2017). Strategic Financial Management (3rd ed.). New Delhi, India: Taxmann Publications Pvt. Ltd.

## On-line resources to be used if available as reference material

### On-line Resources

[http://ugcmoocs.inflibnet.ac.in/ugcmoocs/view\\_module\\_pg.php/392](http://ugcmoocs.inflibnet.ac.in/ugcmoocs/view_module_pg.php/392)

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