Bachelor of Business Administration (BBA General)

SEMESTER - VI

Course Code	UM6MABBA03	Title of the Course	ADVANCED FINANCIAL MANAGEMENT-II
Total Credits of the Course	04	Hours per Week	04

Course Objectives	1. To understand forms of Dividend payment, Significance of Dividend Policy and variables influencing Dividend decision.
	2. To study different techniques of risk analysis.
	3. To study basics of foreign exchange rates and risk management techniques.
	4. To know types and benefits of mutual funds.

Course Content

Unit	Description	Weightage (%)
1.	**Dividend Policy Decision** Forms of Dividend payment, Significance of Dividend Policy in Financial Decision, Variables influencing Dividend decision, Walter's Model, Gordon's Model and Modigliani - Miller's Model.	25%
2.	**Fundamentals of International Financial Management** Introduction, Foreign Exchange Market, Foreign Exchange Rates - Spot rate, forward rate, Cross rate, Bid and Ask rate, Spread Determinant and select theories of exchange rates, Foreign exchange risk and hedging Foreign exchange risk management techniques - Internal & External.	25%
3.	**Investment Decision** Nature of Risk. Statistical techniques for risk analysis: Probability, Expected NPV, Standard deviation, Coefficient of variation, Probability Distribution approach (i) Independent cash flows, (ii) Dependent cash flows Conventional techniques of risk analysis - Risk - adjusted discount rate approach. Certainty equivalent approach, Sensitivity analysis & Decision - Tree Analysis.	25%
4.	**Mutual Funds** Introduction Benefits of Mutual Fund Investment, Types : Growth Funds, Income Funds, Monthly Income plans, Gift Funds Liquid / Money Market Funds, Index Funds Tax savings funds, Mutual funds in India.	25%

Teaching-Learning Methodology	• Lecture Method • Online Lectures • Group Discussion • Practical Problem Solving • Case Study

Evaluation Pattern		
Sr. No.	**Details of the Evaluation**	**Weightage**
1.	Internal Written	**30%**
2.	Internal Continuous Assessment in the form of Quizzes, Seminars, Assignments, Attendance	**20%**
3.	External Examination	**50%**

Course Outcomes	
1.	Discuss the concept and importance of cost of capital and to understand meaning, forms, significance and factors affecting dividend decision. Also to study various dividend decision models.
2.	Calculate the values through risk management techniques.
3.	Know the foreign exchange rates and foreign exchange risk management techniques.
4.	Know the basics of mutual funds, their role and structure, different kinds of mutual fund schemes and their features organization structure and services can be recommended to investors and prospective investors in the market.

Suggested References	
Sr. No.	**References**
1	Kulkarni, P.V. , (2015) Financial Management , New Delhi, India: Taxmann Publications Pvt. Ltd.
2	Maheshwari,S. N.,(2013) Financial Management –Principles and Practice, New Delhi, India: McGraw Hill Education.
3	Gupta, J. B. (2016). Strategic Financial Management (9th ed.). New Delhi, India: Taxmann Publications Pvt. Ltd.
4	Chandra, P. (2019). Financial Management, Theory and Practice (Tenth ed.). Chennai, India: McGraw-Hill. 6
5	Khan, M. Y., & Jain, P. K. (2011). Financial Management (Sixth ed.). New Delhi, India: McGraw Hill Education.
6	Van Horne, J. C. (2008). Fundamentals of Financial Management (13h ed.). Chennai, India: Pearson Education.
7	Kishore, R. M. (2017). Strategic Financial Management (3rd ed.). New Delhi, India: Taxmann Publications Pvt. Ltd.
8	Kulkarni, P.V. , (2015) Financial Management , New Delhi, India: Taxmann Publications Pvt. Ltd.

On-line resources to be used if available as reference material
➢ Financial Management: **https://www.shobhituniversity.ac.in/pdf/econtent/Financial-Management-Unit-1-Dr-Ashok-Kumar.pdf**

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