

Third Year B. B. A.
Elective Paper - 3 ADVANCED FINANCIAL MANAGEMENT
(Effective from June 1999)

- 1. Valuation of Securities :** **10%**
Concept of value, Bond Valuation, Valuation of Equity and Pref. share.
- 2. Cost of Capital :** **15%**
- Meaning, significance specific cost of equity, retained earnings Pref. capital and Debenture Capital.
 - Weighted average cost of capital.
 - Marginal cost of capital. (Cost of equity based on dividend approach earning approach, realized yield approach and CAPM approach only).
- 3. Capital Structure :** **20%**
- Meaning and significance .
 - NI, NOI, Traditional and M.M.Theories.
 - Concepts of optimum capital structure.
- 4. Dividend Decision :**
Traditional position, Walter model Gordon model, M, & M position for designing dividend policy.
- 5. Investment Decision :** **20%**
- Analysis of Risk and uncertainty.
 - Risk adjusted discounted rate method and Certainty Equivalent method.
 - Analysis in case of a single project.
 - Mathematic analysis under uncorrelated and perfectly correlated cash flows , Decision tree analysis applied utility theory.
 - Analysis in case of multiple Project. Portfolio Theory Approach, Capital asset, Pricing model Approach.
- 6. Leasing :** **10%**
Concept significance, types of leasing, techniques of lease evaluation lease evaluation from the view point of lesser and lessee.
- 7. Merger :** **10%**
Objectives terms of mergers (including Benefit Exchange ratio).
- 8. Marketing of Securities and stock Market in India :** **15%**
- Marketing of securities : Managing public issue right issue private placement, Role of credit Rating in India, Venture capital concept and practice in India.
 - Stock Market in India :
Development of Stock market, organization and management of stock exchange, Membership of stock exchange, Trading Procedure the securities Contracts (Regulations) Act-1956, An overview.