

SARDAR PATEL UNIVERSITY
Programme: BCOM
Semester: VI
Syllabus with effect from: DECEMBER 2013

Course Code: UB06ECOM04	Total Credits: 3
Course Title: Current Trends in Finance	

Unit	Description in detail	Weightage (%)
1	Investment Decision Equivalence of NPV and IRR, Modified Internal Rate of Return, Investment Analysis under Inflation, Annual Equivalent Method, Replacement of an existing asset, Investment decision under capital rationing, Programming approach to capital rationing, Scenario Analysis, Simulation Analysis, Utility Theory, Real options, Qualitative factors and judgment in capital budgeting	25 %
2	Financing Decision The Trade-off Theory, Pecking Order Theory, FRICT Analysis, Approaches to establish target capital structure, Practical considerations in determining capital structure, Equity cashflows or flow to equity approach, Capital cashflows and the opportunity cost of capital, Adjusted Present Value, The Adjusted cost of capital, Valuation of a firm	25 %
3	Dividend Decision Informational content of dividends, Practical considerations in dividend policy, Target payout and dividend smoothing – Linter's Model of corporate dividend behavior , Bonus share vs Share Split, Buyback of shares, Dividend policy analysis	25 %
4	Working Capital Management Issues in working capital management, Collection Experience Matrix, Analysis of investment in inventory, Computerized inventory control systems, Baumol's model, The Miller-orr model	25 %

Basic Text & Reference Books:

- I M Pandey, Financial Management.
- Khan & Jain, Financial Management.
- Prasanna Chandra, Financial Management.
- Van Horne, Fundamentals of Financial Management.
- S N Maheshwari, Financial Management.

