



(Master of Business Administration)
Semester III

FINANCE SPECIALISATION

PM03EFIN51: FINANCIAL DECISION ANALYSIS

Course Code	PM03EFIN51	Title of the Course	FINANCIAL DECISION ANALYSIS
Total Credits of the Course	04	Hours per Week	04

Course Objectives:	<ul style="list-style-type: none">• To equip the students with a strategic and analytical perspective of financial management and use the tools and techniques to make decisions.• To enable students to use the tools and techniques already learnt by them in previous courses in a more effective and integrated manner.• To reinforce problem-solving skills with respect to important financial decision making.• To appreciate the corporate restructuring scenario developments with a focus for strategic valuation.
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Course Content: 30 sessions		
Unit	Description	Weightage (%)
1.	Foundations of Finance and Setting up Themes, Financial Management and Policy Framework, Investment Decision, Discussion on Issues of Investment Decision or Capital Budgeting, Cash flow estimation & cost of capital determination, Cost of Capital Versus Risk	25
2.	Project Risk, Stand Alone, Portfolio risk, Real Option Valuation, Best Practices in Estimating the Cost of Capital; Capital Budgeting with Different Discount Rates, Strategic and Hurdle Rates for Capital Investment. Investment Analysis from Marketing point of view, Developments in Capital Budgeting Techniques, Using APV, A better tool for valuing operations	25
3.	Conflicts in Capital Budgeting Techniques and its Resolution, Working Capital Management Issues, Capital Structure Theories and its	25



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	implications in Capital Structure Decisions, Capital Structuring with Leasing Option, Working Capital Management Issues, Capital Structure Theories and its implications in Capital Structure Decisions, Capital Structuring with Leasing Option, Dividend Decision	
4.	Restructuring of Business, Mergers & Acquisitions, Introduction to Mergers and Acquisitions Market, Valuation of an Acquisition Target, Company valuation methods, The Most Common Errors in Valuations, Multiple Perspectives on Mergers, Strategic Acquisitions, Economic Value Addition and S Shareholder Value	25
Teaching-Learning Methodology	Class session, Case Discussion, and Problem-solving exercise Assignments, Presentations, Discussion, Quiz, and Projects	

Evaluation Pattern		
Sr. No.	Details of the Evaluation	Weightage
1.	Internal Written / Practical Examination	30%
2.	Internal Continuous Assessment in the form of Practical, Viva-voce, Quizzes, Seminars, Assignments, Attendance	30%
3.	University Examination	40%

Course Outcomes: Having completed this course, the learner will be able to	
1.	Understand the value creation of business through Strategic Financial Management Decisions
2.	Value a business as a whole entity and value in pieces to assist in managerial decision making
3.	Appreciate Capital Structure decision, Dividend and Working Capital Policies
4.	Analyze the financial information to pinpoint the strengths and weakness of the financial management policies of the business
5.	Enhance entrepreneurial ability.



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Suggested References:

Sr. No.	References
1.	Brigham & Ehrhardt, Financial Management Financial Management, Theory and Practice, Latest Edition, Thomson South-Western
2.	James C. Vanhorne & Sanjay Damija, Financial Management and Policy, Latest Edition, PHI.
3.	Berk and DeMarzo, Financial Management, Pearson Publication.
4.	Robert F. Bruner, Case Studies in Finance, Tata McGraw-Hill.
5.	Chandra Prasanna, Financial Management Theory and Practice, Tata McGraw-Hill.

Online Resources

NPTEL, MOOCS courses on Strategic Financial Management, IGNOU online material on Advance Financial Management

Internet [http:// www.Emerald Insight.com](http://www.EmeraldInsight.com) <http://www.sebi.gov.in>, <http://www.nseindia.com>,
<http://www.bseindia.com>, <http://www.exinfm.com>, <http://www.investopedia.com>,
<http://www.ccil.com>