

Financial Analysis

1.1 Course Number: MT5314

1.2 Contact Hours: 40 Hours, **Credits:** 9

1.3 Semester-offered: Even Semester (January-June)

1.4 Prerequisite Basic understanding of Finance

1.5 Syllabus Committee Member: Dr. Dr. Rohit Bansal & Dr. Debashish Jena

2. Objective:

- The basic objective of a firm is to select most profitable investment projects, finance such projects in the most efficient manner, and thus create value for its owners.
- This course helps to develop this understanding so as to enable the participants to make optimal utilization of firms' financial resources. Besides, the success of a firm depends crucially, among others, on its ability to adapt to the changing external environment.
- This aspect is the other major implicit philosophy of the course. Application of the tools and techniques using empirical data would be a frequent practice during the course. Major emphasis is laid on applications of excel spreadsheet modeling in financial decision making.

3. Course Content:

Unit-wise distribution of content and number of lectures

Unit	Topics	Sub-topic	Lectures
1	Introduction to Financial Management	Financial Environment, Financial Management: An Introduction Financial Performance Analysis, Time Value of Money	06
2	Risk and Investment Analysis	Risk and Return Concept, Portfolio optimization and CAPM, Cost of Capital, Theories of capital structure	06
3	Corporate Valuations	Valuation of Bonds, Valuation of Stocks, Dividend policies, Modigliani & Miller Hypothesis	06
4	Long-term capital concepts	Working Capital Management Financing, Cash Management, Long term Capital Budgeting Decision, Project finance Tools & Techniques	06
5	Financial Derivatives and Pricing	Introduction to Derivatives, Forward contracts, Futures and Options, Black-Sholes option pricing, Call-Put parity and formulation	06
6	Project Work	A group of students will be allocated a project relevant to the course, where they can apply their understanding. Project will be a part of course evaluation.	10
		Total	40

4. Readings

a. Textbooks:

- Khan & Jain, Financial Management Text Problems and Cases 8th Edition, TMH

4.2 Reference Books:

- Srivastava R, Misra A, Financial Management, Oxford Publications
- Pandey, I.M. Financial Management Tenth Edition Vikas Publication.
- Eugene Brigham "Financial Management Cengage Publication.
- Brealey Richard A, Myers Stewart C, Allen Franklin, Mohanty Pitabas, Principles of Corporate Finance, 8th edition, The McGrawhill Companies
- Brigham and Erdhardt, Financial Management: Text and cases, India Edition, Cengage Learning.
- Levy, H & Sarnat M: Capital Investment and Financial Decisions, Prentice Hall.

5. Outcome of the Course:

On the completion of this course the participants are expected to:

- Become financially literate, major emphasis is laid on applications of excel spreadsheet modeling in financial decision making.
- Be able to analyze investment opportunities for better decision making.
- Do equity and financial analysis.