

# Advanced Corporate Finance

by

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<b>Teaching Arrangements</b>	<p>Term III</p> <p>20 sessions of 90 minutes each (split into 15 classroom sessions and 5 group work sessions)</p>
<b>Prerequisites</b>	<p>Knowledge of basic accounting techniques, financial statements, basic legal concepts, basic mathematical methods, &amp; basics of financial management are essential.</p>
<b>Aim of the Course</b>	<p>The course attempts to provide indispensable exposure to the students on the world of corporate financial management.</p> <p><b>Objectives</b></p> <p>This course in Corporate Finance will endeavour to equip participants with the tools to understand, analyze, and appreciate the framework underlying business financial decisions (especially in the complicated practical world). While the course is oriented towards the financial management of a corporation, much of the material is applicable to other type of organizations as well.</p> <p>The topics cover the theory and practice of global financial organizations, capital budgeting and investment decisions, choice of capital structure and the cost of capital, risk analysis and mitigation. In addition to corporate finance, the course also covers the basics of foreign exchange and derivative securities markets. The course imparts strong empirical and problem solving skills through select case studies.</p>
<b>Course Content</b>	<ul style="list-style-type: none"> <li>◆ The contemporary business, tax and financial environments in India including the issues such as AS, IFRS, Ind GAAP, and LLPs. The recent reporting requirements for Indian corporate as per the revised schedule VI of the Indian Companies Act will also be covered. (2 Sessions)</li> <li>◆ Budgeting and Strategic Cost Management focusing on ABC (1-2 Sessions)</li> <li>◆ Introduction to International Finance including an understanding of the inter-relationships in the global financial system and AIMS (1 Sessions)</li> <li>◆ The use of publicly available financial information (1 Session)</li> <li>◆ WACC, WMCC, and cost of capital computations and their linkage with Value Based Management approaches (1-2 Sessions)</li> <li>◆ The practicalities of valuation of commonly traded financial instruments – stocks, bonds and derivative securities (1 Session)</li> <li>◆ Capital budgeting in international contexts (using long case study) including risk analysis using simulation (2 Sessions)</li> <li>◆ Capital markets: Random walk theory, EMH, levels of efficiency (1 Session)</li> <li>◆ Stock splits, stock repurchases; and their Indian norms (1 Session)</li> <li>◆ Financial planning and working capital forecast including forecasting of short-term cash flows using simulation (2 Sessions)</li> <li>◆ Options, Real Options, Hedging, Insurance, Forwards, Futures, Derivatives, SWAPS – An Introduction (2 Sessions)</li> </ul>

	<ul style="list-style-type: none"> <li>◆ Leasing and Securitization (2 Sessions)</li> <li>◆ Bankruptcy and Liquidation (1 Session)</li> <li>◆ Corporate Control, Ownership Structure, and Governance (1 Session)</li> <li>◆ <b>Topics to be not covered:</b> Mergers, Acquisitions, Financial &amp; Corporate Restructuring</li> </ul>
<b>Balancing Courses</b>	<p>International Finance, Financial Management, Financial markets, and Fixed Income Securities</p> <p><i>Note: All attempts would be made to ensure that there is minimal overlap with the above.</i></p>
<b>Indicative Literature</b>	<p>Brealey, Myers and Mohanty: Principles of Corporate Finance</p> <p>Brigham and Houston: Financial Management</p> <p>Fabozzi: Handbook of Finance</p> <p>Juan: Consolidated Financial Statements</p> <p>Mulford and Comiskey: The Financial Numbers Game</p> <p>Ogden, Jen and O'Connor: Advanced Corporate Finance</p> <p>Reuvid: The Corporate Finance Handbook</p> <p>Ross, Westerfield, &amp; Jaffe: Corporate Finance</p>
<b>Indicative Pedagogy</b>	<p>The class lectures would be largely case (or case let) based discussions with emphasis on practical context.</p> <p>This course will have individual student based submissions requiring analysis of corporate financial management of an allocated company.</p>