

MNG 307B
STRATEGIC FINANCIAL MANAGEMENT
Credit: 4, Class Hours: 40

Objective: To apply Financial Management theories and techniques for strategic decision makings:

Module-I: Financial Policy and Corporate Strategy: Strategic decision making framework; Interface of financial policy and strategic management; Balancing financial goals vis-à-vis sustainable goals

Module-II: Concepts of Valuation: Valuation of stock, dividend and earning model Bond valuation, YTM, YTC, Duration and immunization. Valuation of enterprise using market comparable, price to earnings, price to earning to growth, Market to book value, Enterprise value to EBITDA Enterprise value to cash flow, Enterprise value to sales.

Module-III: Mergers and Takeover: Meaning of mergers and acquisition, categories, purposes. Process of M & A – identification and valuation of the target, acquisition through negotiation, due diligence, post mergers integration, legal and regulatory requirement, M&A agreement, reverse merger, potential advise, effects of mergers. Major causes of M&A failures. Corporate take overs: Motivation, co-insurance effect, cross border take overs, forms of take overs, takeover defenses. Going private and other controlled transactions: CBO, MBO, spin offs and asset divestures.

Case Study: 1. Tata Steel's taken over of Corus

2. Centurion Bank with HDFC Bank
3. Microsoft's takeover bid for Yahoo

Module-IV: Corporate Restructure: Refinancing and rescue financing, reorganization of debtors and creditors, sale of assets, targeted stock offerings, downsizing and lay off program, negotiated wage give backs, employee buy outs financial reconstruction, process of corporate restricting, techniques of corporate restricting.

Module – V: The concerned faculty shall have the liberty to define the course contents under this module and teach students accordingly.

Reference Book:

1. Strategic Financial Management, Jakhotia, Vikas
2. Strategic Financial Management, Ravi M Kishore, Taxman