

FINANCE FOR MANAGERS – II

Unit	Content
1	Introduction to Advance Accounting Concepts: Consolidation of balance sheets, Deferred Taxes, Minority interest, NOPAT and adjustments to NOPAT from EVA perspective to measure correct economic cash flows, Economic value added (EVA) and linkages between value of a company and EVA, Equity Analysis, Stock Splits and Buy back, Managing Productivity of Corporate Capital, Composite Index for measuring productivity.
2	Valuation of a Company: Discounted cash flows, Terminal value, Equity value multiples. Valuation of Securities: Analysis of Bond/ Debentures: Valuation of bonds; Analysis of risk in bonds-duration and convexity. Valuation of Equity and Options
3	Security Market: Analysis, Investment environment, Structure of security market: An overview. Types of return and risk; Sources of risk. Fundamental & Technical Analysis - Economic Analysis, Industry Analysis, Company Analysis Portfolio Analysis & Portfolio Management – Meaning, Evaluation & Role. Risk & Return of a Portfolio, Risk Diversification
4	Mergers- Types of mergers – Theories of mergers- operating, financial and managerial synergy of mergers – value creation in horizontal, vertical and conglomerate mergers – internal and external change forces contributing to M&A activities- Impact of M&A on stakeholders.
5	Introduction to International Finance - International Flow of funds. Balance of Payments - Concepts, Terminologies, Surplus, Deficits - Impact on the economy. Foreign Exchange Markets, Exchange Rate Determination, Currency Derivatives and Risk Management. International Trade Finance -Methods of payment, Letter of Credit and Guarantee, Buyers Credit and Suppliers Credit. Export Finance - Insurance, Pre and Post Shipment finance. Economic Perspectives of various financial crisis, country risk.