



## **FIN 41333: Strategic Finance**

**Level: 4000**

**Number of Credits : 03**

---

### **Course Description**

Strategic finance focuses on the management of a firm's financial resources particularly from a long term perspective considering the strategic goals of the enterprise. This course involves with a broad range of functions including defining the business objectives, and devising plans for effective investment and financing.

### **Intended Learning Outcomes**

At the end of the course, the student will be able to;

- Describe the role and responsibility of a senior financial executive in managing conflicts of interests among the stakeholders
- Explain appropriate financial strategies for different types of organizations and show how these strategies can assist in meeting the strategic goals.
- Assess the financial and strategic consequences of potential investment opportunities
- Develop effective plans for treasury and risk management
- Evaluate various business restructuring opportunities

### **Teaching/Learning Methods**

Lectures, Group discussions, Workshops and Seminars

### **Methods of Assessment**

In-course Assessments	: 30%
End Semester Examination	: 70%

### **Course Contents**

1. Overview of strategic finance  
Objective of a firm, functions of finance, evolution of finance, wealth creation, market efficiency, capital market discipline, corporate governance, role of senior finance executives, corporate financial management and strategic financial objectives
2. Corporate financial needs and financing methods  
Working capital management, Equity financing, Debt financing, Lease financing, Capital structure decision making
3. Advanced capital budgeting  
Critique on conventional techniques, capital budgeting under financial constraints, inflation, risk and uncertainty, Foreign investments, sensitivity analysis, scenario analysis, decision trees, importance of post completion audit and real options in capital budgeting
4. Corporate risk identification and management  
Types of risks (such as credit risk, interest rate risk, liquidity risk, foreign exchange risk, price risk, operational risk and reputational risk), different tools/strategies to mitigate each of the risks

5. Financial engineering and derivatives  
Financial instruments, forwards, futures, options, swaps, money market hedging
6. FOREX Markets  
ISO currency designators, foreign exchanges quotes/exchange rates, trading strategies
7. Business valuation, merger, acquisition, divestment and other corporate growth strategies  
Business valuation techniques, mergers, acquisitions and trade sale, spinoff and management buy-outs, post-merger valuation and implications

### **Recommended Readings**

1. Sofat, R. & Hiro, P., (2015), Strategic Financial Management, (2nd ed): PHI Learning
2. Chandra, P. (2014), Strategic Financial Management: Managing for value creation, McGraw Hill Education (India) Private Limited.