

Mumbai

Course Code	8010F011		
Course Title	Strategic Financial Management		
Course Instructor/s	Anupam Rastogi		
Credit Value	3 credits (100 marks paper)		
Office Hours	Tuesdays - 11.00am – 1.00 pm Thursdays - 11.00am – 1.00 pm		
Programme & Trimester	MBA IV Trimester		
Pre-requisite	<p>Students must complete BMC on Bloomberg before June 24th 2018 and send the certificate to anupam.rastogi@nmims.edu . A student must state class code MHVLSF3RD0 . Those who have registered before and completed BMC should log back in and enter the code on the homepage. If you have done BMC under IFM course; the same BMC should be resent.</p> <p>Students should watch the following YouTube videos and revise BMC. The quiz will held in the 7th session.</p> <p>Valuation: Four Lessons to Take Away https://www.youtube.com/watch?v=Z5chrXMuBoo</p> <p>Valuation (6hrs) https://www.youtube.com/watch?v=znmQ7oMiQrM&list=PLUkh9m2BorqnKWu0g5ZUps_CbQ-JGtbI9</p>		
Learning Objectives / Outcomes	<ol style="list-style-type: none"> To demonstrate that financing decisions are not the only criterion for decision making, but any enterprise, whether commercial or not, is finally judged by its financial performance. Corporate Financial Officer CAN create value through financing, strategic and operating decisions. Students build the knowledge and skills critical to an effective manager’s responsibilities of proposing, assessing and implementing financial investment decisions. Students learn advanced valuation techniques, and explore the empirical difficulties and judgmental ambiguities inherent in applying the valuation process. Students do valuation for exercising managerial control in a way that allows entrepreneurs and firms to fund their operations, to create appropriate incentives, and to manage risk 		
Session Plan	Session no.	Topic	Pre read/Class Activity
	Module - 1: Financing and Financial Strategy		
	1	Introduction	
	2, 3	Introduction to Financial Strategy	Williams, 2002 (HBS Case – 9-203-068)

	4, 5	Credit Markets	Tombstones (HBS Case – 9-211-063)
	6	The Tax Benefits of Debt	A New Financial Policy at Swedish Match (HBS Case – 9-212-017)
	7	BMC Quiz in Class & Costs of Financial Distress	UAL, 2004 : Pulling Out of Bankruptcy (HBS Case – 9-205-090)
	8, 9	Capital Structure	Stone Container Corporation (A) (HBS Case – 9-297-047)
	Module - 2: Valuation		
	10	WACC	Cost of Capital at Marriott Corporation (Abridge)(HBS Case – 9-212-011)
	11	Applying WACC	Radio One (Abridged) (HBS Case – 9-212-053)
	12	Adjusted Present Value	Berkshire Partners : Bidding for Carter’s (HBS Case – 9-205-058)
	Module - 3: Options and Risk Management		
	13	Hedging Currency Risk	Pre-reads 1. Introduction to Corporate Financial Engg by Peter Tufano (HBS 9-297-053) 2. Introduction to Interest Rate Options by George Chacko & Andeas Sjoman (HBS 9-205-112) Hedging Currency Exposure at AIFS (HBS Case –9-205-026)
	14	Foreign Exchange Hedging	Foreign Exchange Hedging Strategies at GM : Transactional and Transnational Exposures (HBS Case –9-205-095)
	15	Foreign Exchange Hedging	Foreign Exchange Hedging Strategies at GM : Competitive Exposures (HBS Case –9-205-096)
	16	Options and Corporate Finance	American Barrick Resources Corporation (HBS Case –9-293-128)
	Module - 4: Project Presentation		
	17, 18, 19, 20	Project Presentation (Group 1-16) List of corporate, team members and specific questions related to the corporate are given in Project Schedule.	Read appraisal report and understand financial model of the Groups making presentations
Teaching / Learning Methodology	The course deals in cases that are applications of concepts some of them have already covered in first year and some are introduced using case study method and essential readings. The course is divided into four case study modules and one project presentation module. Module 1: Financing and Financial Strategy – How should a firm finance its activities? Module 2: Valuation – How can we value firms with complex financial structures? Module 3: Options and Risk Management – How can a firm use options and other derivative securities to create incentives, raise capital, and manage risk? Module 4: Project Presentation		

Assessment methods	Specific assessments/methods	% weight age	
	Continuous assessment	100 %	
	BMC certificate stamped not later than June 15, 2018 & quiz (Valuation and BMC)	15%	
	Class participation/case discussion/ (Individual)	15%	
	Written Case Discussion & Review Question (Group)	10%	
	Project Work (Group)	20%	
	Term End Exam	40%	
References	<ol style="list-style-type: none"> 1. Corporate Finance by Ross, Westerfield, Jaffe & Kakani (RWJK), Tata McGraw Hill. 2. <i>Principles of Corporate Finance</i>, Richard A. Brealey and Stewart C. Myers, McGraw – Hill, Sixth Edition, 2000. 3. <i>Corporate Finance: Theory and Practice</i>, Aswath Damodaran, John Wiley, 1997. 		