

<p>(ii) Financial Analysis through Ratios</p> <ul style="list-style-type: none"> a) Users of the financial analysis b) Sources of financial data for analysis c) Calculation and Interpretation of ratios. d) Limitations of ratio analysis 		
<p>2. Financing Decisions and Cost of Capital</p>		
<p>(i) Sources of Finance</p> <ul style="list-style-type: none"> a) Different Sources of Finance, Characteristics of different types of long-term debt and equity finance, Method of raising long term finance b) Different Sources of short-term Finance c) Contemporary sources of funding- P2P lending, Equity funding, Crowd funding, Start-up funding, etc. d) Internal fund as a source of finance e) International sources of finance f) Other sources of finance- Lease Financing, Sale and lease back, Convertible debt, Venture capital, Grants etc. 	II	45%-50%
<p>(ii) Cost of Capital</p> <ul style="list-style-type: none"> a) Significance of cost of capital b) Factors of cost of capital c) Measurement of costs of 		

	<p>individual components of capital</p> <p>d) Weighted average cost of capital (WACC)</p> <p>e) Marginal cost of capital</p>		
(iii) Capital Structure Decisions	<p>a) Significance of capital structure</p> <p>b) Determinants of capital structure</p> <p>c) Capital structure planning and designing</p> <p>d) Designing of optimum capital structure</p> <p>e) Theories of Capital Structure and value of the firm-relevancy and Irrelevancy of capital structure.</p> <p>f) EBIT- EPS Analysis, Breakeven- EBIT Analysis.</p> <p>g) Under/ Over Capitalisation.</p>		
(iv) Leverages	<p>a) Types of Leverages- Operating, Financial and Combined</p> <p>b) Analysis of leverages</p>		
3. Capital Investment and Dividend Decisions			
(i) Capital Investment Decisions	<p>a) Objective of capital investment decisions</p> <p>b) Methods of Investment appraisal:</p> <ul style="list-style-type: none"> - Payback period, Discounted payback period 	III	20%-25%

<ul style="list-style-type: none"> - Accounting Rate of Return (ARR), - Net Present Value (NPV) - The meaning of NPV, Strengths and limitations of NPV method, The working capital adjustment in an NPV analysis, Capital rationing, Equivalent Annual Costs, - Internal Rate of return (IRR)- Limitations of the IRR method, Multiple IRRs, - Modified internal Rate of Return (MIRR)- Definition and explanation of MIRR, Process for calculating MIRR, Strengths of the MIRR approach. - Profitability Index 		
<p>(ii) Dividend Decisions</p> <ul style="list-style-type: none"> a) Basics of Dividends b) Cash dividend, stock dividend/ bonus share, stock-splits, share buy back c) Determinants of dividend d) Relevancy and Irrelevancy of Dividend Policies- Traditional Approach, Walter's model, Gordon's model, Modigliani and Miller (MM) Hypothesis. 		

4. Management of Working Capital		
<p>a) The management of working capital- Liquidity and Profitability</p> <p>b) The Working capital financing decisions- Primary and Secondary Sources of Liquidity</p> <p>c) The working Capital Cycle (operating Cycle), Effectiveness of Working Capital based on its operating and cash conversion cycles</p> <p>d) Assessment of working capital requirement</p> <p>e) Management of Accounts Receivables (Debtors)</p> <p>f) Factoring and Forfaiting</p> <p>g) Credit Management <ul style="list-style-type: none"> - Credit granting - Monitoring accounts receivables - Debt collection </p> <p>h) Management of Accounts Payables (Creditors)</p> <p>i) Management of Cash, Treasury management</p> <p>j) Banking norms of working capital finance</p>	IV	15%-20%

PAPER 6B: STRATEGIC MANAGEMENT (50 MARKS)

Objective

To develop an understanding of strategic management concepts and techniques and acquire the ability to apply the same in business situations.

Contents	Section	Weightage
1. Introduction to Strategic Management (i) Meaning and Nature of Strategic management (ii) Importance and Limitations of Strategic Management (iii) Strategic Intent - Vision, Mission and Goals and Values (iv) Strategic Levels in Organizations (Network, Corporate, Business and Functional)	I	15%-25%
2. Strategic Analysis: External Environment (i) International and Macro Environment: PESTLE Analysis (ii) Defining the industry for analysis (Value Chain, PLC) (iii) Porters Five Forces - Industry environment analysis (iv) Understanding customers and markets (v) Competition in the industry	II	15%-25%

<p>3. Strategic Analysis: Internal Environment</p> <p>(i) Understanding key stakeholders (Mendelow's Model)</p> <p>(ii) Strategic drivers (Industry & markets, Customers, Channels, Product & Services, Competitive Advantage)</p> <p>(iii) The role of resources and capabilities</p> <p>(iv) Combining external and internal analysis (SWOT Analysis)</p> <p>(v) Gaining competitive advantage (Michael Porter's Generic Strategies)</p>	III	15%-25%
<p>4. Strategic Choices</p> <p>(i) Strategic Choices: Concentric, Conglomerate, Market Development, Product Development, Innovation, Horizontal integration, vertical integration, Turnaround, Divesture, Liquidation</p> <p>(ii) How to Develop Strategic Options</p> <ul style="list-style-type: none"> o Ansoff's Matrix o ADL Matrix o BCG Matrix o GE Matrix 	IV	15%-25%

<p>5. Strategy Implementation and Evaluation</p> <ul style="list-style-type: none"> (i) Implementation: Formulation vs. Implementation Matrix, Linkages and Issues (ii) Strategic Change through Digital Transformation (iii) Organisation Structure (hard) and Culture (soft) (iv) Strategic Leadership (v) Strategic Control (vi) Strategic Performance Measures 	V	15%-25%
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Note: A deviation of maximum $\pm 5\%$ in the specified section-wise weightage is permitted.