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| **PROGRAM** | **Bachelors Of Business Administration** |
| **SEMESTER** | **III** |
| **COURSE TITLE** | **Financial Management** |
| **COURSE CODE** | **04BB0305** |
| **COURSE CREDITS** | **04** |
| **COURSE DURATION** | **48 Hrs (48 sessions of 60 minutes each)** |

**COURSE OUTCOMES:**

- Understand how to maximize shareholders value by applying various financial decision.
- Compute cost of capital, capital budgeting, dividend decision and working capital.
- Learn various sources of finance.
- Understand capital structure theories and its importance.

**Course Contents:**

| Unit No | Unit / Sub Unit | Sessions |
|---|---|---|
| I | **Financial management:**<br>Meaning, Nature and Scope. Functions and objectives. Wealth Vs. Profit Maximization; Role of Finance Manager in 21st Century. Time Value of Money: Concept, Compounding, Discounting and Annuity (Numerical). | 8 |
| II | **Financing Decision:**<br>Sources of Financing – Equity, preferred and debt capital. Cost of Capital: Cost of equity, preferred and debt capital, weighted average cost of Capital (WACC). Capital Structure – determinants, theories – NI, NOI &; MM Hypothesis. Leverage – Operating, financial &; combined. | 12 |
| III | **Investment Decision:**<br>Nature of investment decisions; different types of investment; investment appraisal methods – Non discounting cash flow methods (Payback period, ARR) and discounting cash flow methods (NPV, IRR &; PI). | 12 |
| IV | **Dividend decisions:**<br>Types of dividend, dividend distribution practices, Walter's, Gordon's &; MM dividend models; principles of dividend policy. Dividend payment practices in corporate India. | 6 |
| V | **Working Capital:** | 10 |

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|---|---|---|
| | Meaning, significance and classification. Financing & sources of working capital; estimation of working capital requirement, operating cycle period. Basic concepts of cash, receivables, &; inventory management. New dimensions in management of working capital in modern era. | |

**Evaluation:**

The students will be evaluated on a continuous basis and broadly follow the scheme given below:

| | Component | Weight age |
|---|---|---|
| A | Continuous Evaluation Component (Assignments / Presentations/ Quizzes / Class Participation/ etc.) | 20% (C.S.E.) |
| B | Internal Assessment | 30% (I.A.) |
| C | End-Semester Examination | 50% (External Assessment) |

**SUGGESTED READINGS:**

**Text Books:**

| Sr. No | Author/s | Name of the Book | Publisher | Edition & Year of Publication |
|---|---|---|---|---|
| **T-01** | Prasanna Chandra | Financial Management – Theory & Practices | New Delhi, TMH | Latest Edition |

**Reference Books:**

| Sr. No | Author/s | Name of the Book | Publisher | Edition and Year of Publication |
|---|---|---|---|---|
| **R-01** | I.M. Pandey | Financial Management | Vikas Publication | Latest Edition |
| **R-02** | M.Y. Khan and P.K. Jain | Financial Management – Text, Problems & cases | New Delhi, TMH | Latest Edition |
| **R-03** | Rajiv Srivastava and Anil Sharma | Financial Management | Oxford University Press | Latest Edition |
| **R-04** | Horne, James C Van. | Financial Management And Policy | Phi Learning Pvt Ltd | Latest Edition |