



PROGRAM	Master of Business Administration
SEMESTER	2
COURSE TITLE	Financial Management
COURSE CODE	04MB0201
COURSE CREDITS	3
COURSE DURATION	42 Hrs (42 Sessions of 60 minutes each)

COURSE OUTCOMES:

- ❖ Ability to understand fundamental concepts of finance, time value of money and Valuations of Bonds and Stock.
- ❖ Able to apply concept of cost of capital and capital budgeting in business decision making
- ❖ Analyze Financial decision and application of Leverage
- ❖ Analyze the significance of dividend decision on value of firm
- ❖ Application of various concept of working capital management and determination of working capital

COURSE CONTENTS:

Unit No	Unit / Sub Unit	Sessions
I	Overview of Financial Management Nature, Scope, Goals, Organization of Financial Functions. Conflict between shareholders interest and Managers and lenders, Agency costs and theory. Time value of Money - Concepts, Compounding, Discounting, Annuities. Valuation of Bonds, Preference shares and Equity	8
II	Cost of Capital & Capital Budgeting Decision Significance, Concept of the Cost of Capital, Component Costs of Capital - Cost of Debt, Preference Capital and Equity Capital, Weighted Average Cost of Capital (WACC). Capital Budgeting Decisions - Meaning, Discounting Capital Budgeting Techniques, NPV, IRR, PI, Discounted Payback, non-discounting Capital Budgeting Techniques, Payback & ARR	10
III	Financing Decision & Leverage Concept, Factors determining Capital Structure Decision, Sources of Long-Term Finance, Capital Structure Theories, NI Approach, NOI Approach, Traditional View, MM Theory with and without taxes. Leverage - Types of Leverage - Operating, Financial and Combined Leverage., Point of indifference	10
IV	Dividend Decision Dividend and dividend policy, Factors determining dividend decision, Dividend Theories, Relevance Theory, Gordon Model, Walter Model, Irrelevance Theory, MM Model	6
V	Working Capital Management Concepts of Working Capital, Sources of Short-term Finance, Operating Cycle, Determinants of Working Capital, Estimating Working Capital Needs Cash & Liquidity Management Cash Management Introduction, Motives of holding cash, Objectives of cash management, Cash budget, Cash Management Model, Baumol Model, Miller & Orr Model	8

EVALUATION:

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

	Component	Weightage
A	Continuous Evaluation Component (Assignments / Quizzes / Class Participation etc.)	20% (CEC)
B	Internal Assessment	30% (IA)
C	End-Semester Examination	50% (External Assessment)

SUGGESTED READINGS:
Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year
T-01	I M Pandey	Financial Management	Vikash Publishing House	9 th Edition, 2005
T-02	Prasanna Chandara	Financial Management: Theory and Practices	Tata Mc Graw Hill	8 th Edition, 2011
T-03	M. Y. Khan and P. K. Jain	Financial Management	Tata Mc Graw Hill	5 th Edition, 2007

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year
R-01	Rajiv Srivastava & Anil Misra	Financial Management	Oxford	2 nd Edition, 2011
R-02	P C Tulsian & Bharat Tulsian	Tulsian's Financial Management – A Self-Study	S. Chand	5 th Edition, 2017
R-03	R. P. Rastogi	Financial Management	Texmann	6 th Edition, 2018