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| INSTITUTE | FACULTY OF MANAGEMENT STUDIES |
| PROGRAM | BACHELOR OF BUSINESS ADMINISTRATION (HONS.) |
| SEMESTER | 3 |
| COURSE TITLE | FINANCIAL MANAGEMENT |
| COURSE CODE | 04BB0305 |
| COURSE CREDITS | 4 |

Course Outcomes: After completion of this course, student will be able to:

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

Pre-requisite of course:NONE

Teaching and Examination Scheme

| Theory Hours | Tutorial Hours | Practical Hours | ESE | IA | CSE | Viva | Term Work |
|---------------------|-----------------------|------------------------|------------|-----------|------------|-------------|------------------|
| 4 | 0 | 0 | 50 | 30 | 20 | 0 | 0 |

| Contents : Unit | Topics | Contact Hours |
|------------------------|---|----------------------|
| 1 | Financial management Meaning, Nature and Scope, Functions and objectives. Wealth Vs. Profit Maximization, Role of Finance Manager in 21st Century, Time Value of Money: Concept, covering Compounding, Discounting and annuity (Numerical). | 8 |
| 2 | Financing Decision 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 |
| 3 | Capital budgeting Nature of investment decisions, different source of investment, investment appraisal methods – Non discounting cash flow methods (Payback period, ARR) and discounting cash flow methods (NPV, IRR & PI). | 12 |
| 4 | Dividend decisions Types, dividend distribution practices, Walter's, Gordon's & MM dividend models, principles of dividend policy, Dividend payment practices in corporate India. | 6 |

| Contents : Unit | Topics | Contact Hours |
|----------------------------|---|--------------------------|
| 5 | Working capital 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 | 10 |
| Total Hours | | 48 |

Textbook :

- 1 Financial Management, Prasanna Chandra, McGraw-Hill, 2019

References:

- 1 Financial Management, Financial Management, I.M. Pandey, Vikas Publication, 2019
- 2 Financial Management, Financial Management, M.Y. Khan and P.K. Jain, McGraw-Hill, 2018

Suggested Theory Distribution:

The suggested theory distribution as per Bloom's taxonomy is as follows. This distribution serves as guidelines for teachers and students to achieve effective teaching-learning process

| Distribution of Theory for course delivery and evaluation | | | | | |
|---|-------------------|--------------|----------------|-----------------|----------------------------------|
| Remember / Knowledge | Understand | Apply | Analyze | Evaluate | Higher order Thinking |
| 20.00 | 30.00 | 25.00 | 15.00 | 10.00 | 0.00 |

Instructional Method:

- 1 Theory

Supplementary Resources:

- 1 <https://www.managementstudyguide.com/financial-management.htm>
- 2 <https://www.netsuite.com/portal/resource/articles/financial-management/financial-management.shtml>