

INSTITUTE	FACULTY OF MANAGEMENT STUDIES
PROGRAM	BACHELOR OF BUSINESS ADMINISTRATION
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>