

COURSE TITLE	FINANCIAL MANAGEMENT
COURSE CODE	04BB1305
COURSE CREDITS	4

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

- 1 Compute the time value of money using compounding, discounting, and annuity techniques to support sound financial decision-making.
- 2 Analyze financial decisions related to capital structure, cost of capital, and leverage to assess their impact on corporate profitability and risk.
- 3 Evaluate various investment appraisal techniques—such as payback period, ARR, NPV, IRR, and PI—to support capital budgeting decisions.
- 4 Appraise dividend theories and corporate dividend policies to determine their role in enhancing shareholder value across business contexts.
- 5 Apply working capital management strategies by integrating cash, receivables, and inventory controls aligned with modern financial practices.

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 of Finance & Financial Management, Nature, Scope and objectives of financial management., Role and functions of Finance Manager in 21st Century, Financial Decisions and risk-return trade off, agency problem and mechanism to solve agency problem., Time Value of Money: Concept, covering Compounding, Discounting and annuity (Numerical).	12
2	Financing Decision Sources of long-term finance– 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. (Numerical of Cost of capital, capital structure & leverage analysis)	15

Contents : Unit	Topics	Contact Hours
3	Capital Budgeting Meaning of Capital Budgeting, Need, Importance, 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), Numerical based on PBP, ARR, NPV, PI & IRR.	12
4	Dividend decisions Types of dividends, determinants of dividend, Theories of dividend relevance and irrelevance of dividend decisions for corporate valuation-Walter's, Gordon's & MM dividend models, Dividend payment practices in corporate India.	9
5	Working capital Meaning, significance and classification, Sources of short-term finance, estimation of working capital requirement, operating cycle & cash cycle, Cash management, receivables management, inventory management, new dimensions in management of working capital in modern era	12
Total Hours		60

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 / Creative
0.00	0.00	35.00	35.00	30.00	0.00

Instructional Method:

- 1 Theory

Supplementary Resources:

- 1 <https://www.managementstudyguide.com/financial-management.htm>

Supplementary Resources:

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