

COURSE TITLE	FINANCIAL MANAGEMENT
COURSE CODE	04MB1201
COURSE CREDITS	3

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

- 1 Demonstrate conceptual clarity in finance by evaluating the time value of money and performing valuations of bonds and stocks
- 2 Apply cost of capital and capital budgeting techniques to assess and support strategic business decisions.
- 3 Examine financial decisions by evaluating the impact and application of operating, financial, and combined leverage.
- 4 Assess the implications of dividend policy on shareholder wealth and firm valuation.
- 5 Evaluate the principles and techniques of working capital management to determine optimal working capital requirements

Pre-requisite of course:NA

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
3	0	0	50	30	20	0	0

Contents : Unit	Topics	Contact Hours
1	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	9
2	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
3	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

Contents : Unit	Topics	Contact Hours
4	Dividend Decision Dividend and dividend policy, , Factors determining dividend decision, Dividend Theories, Relevance Theory, Gordon Model,, Walter Model, Irrelevance Theory, MM Model	8
5	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
Total Hours		45

Textbook :

- 1 Financial Management,, I M Pandey, Vikash Publishing House , 2021
- 2 Financial Management: Theory and Practices, , Prasanna Chandara, Tata Mc Graw Hill,, 2023
- 3 Financial Management, M. Y. Khan and P. K. Jain, Tata Mc Graw Hill, 2024

References:

- 1 Financial Management, Financial Management, Rajiv Srivastava & Anil Misra , Oxford, 2024

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	25.00	30.00	30.00	15.00

Instructional Method:

- 1 Lecture Method, Case Study Method, Problem-Solving Sessions, Caselets and Mini-Cases, Excel-Based Financial Modelling, Simulation and Business Games, Group Discussions, Student Presentations, Flipped Classroom Method