

<b>COURSE TITLE</b>	<b>FINANCIAL MANAGEMENT</b>
<b>COURSE CODE</b>	<b>04MB1201</b>
<b>COURSE CREDITS</b>	<b>3</b>

**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

<b>Theory Hours</b>	<b>Tutorial Hours</b>	<b>Practical Hours</b>	<b>ESE</b>	<b>IA</b>	<b>CSE</b>	<b>Viva</b>	<b>Term Work</b>
3	0	0	50	30	20	0	0

<b>Contents : Unit</b>	<b>Topics</b>	<b>Contact Hours</b>
1	<b>Overview of Financial Management</b> 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	<b>Cost of capital &amp; capital Budgeting decision</b> 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	<b>Financing Decision &amp; Leverage</b> 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	<b>Dividend Decision</b> Dividend and dividend policy, , Factors determining dividend decision, Dividend Theories, Relevance Theory, Gordon Model,, Walter Model, Irrelevance Theory, MM Model	8
5	<b>Working capital Management</b> 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
<b>Total Hours</b>		<b>45</b>

#### 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