

COURSE TITLE	FINANCIAL MANAGEMENT
COURSE CODE	10BC2203
COURSE CREDITS	4

Objective:

- 1 To equip students with a solid understanding of fundamental concepts in financial management
- 2 To provide the students basic understanding of the various sources of finance, working capital management, inventory management and dividend policies.
- 3 To explore real-world case studies and examples to understand how financial management theories and practices are applied in corporate settings

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

- 1 Define the concept of financial management
- 2 To understand the structure of the Indian Financial system and Financial institutions
- 3 Relate the fundamentals of working capital.
- 4 Critique the decisions related to capital expenditure
- 5 Construct an understanding of dividend policy, bonus shares and right issue.

Pre-requisite of course:N/A

Teaching and Examination Scheme

Theory Hours	Tutorial Hours	Practical Hours	ESE	IA	CSE	Viva	Term Work
3	1	0	50	30	20	0	0

Contents : Unit	Topics	Contact Hours
1	Introduction to Financial Management Nature and Objectives of Financial Management, Role of the Finance Manager, Interface of the Finance Function with other Functional Areas., Sources of Long-Term Finance, Need for Long-term Finance, Importance of Long-term Finance, Other Sources of Finance	9
2	Indian Financial System & Financial Institutions Overview of the Financial System, Introduction to Financial Markets, Understanding the Capital and Security Markets, International Capital Markets, Functions and Powers of the Reserve Bank of India (RBI), Commercial Banks: Its functions and structure, Regulatory Reforms in the Financial Sector, Classification and Regulation of Non-Banking Financial Institutions	9

Contents : Unit	Topics	Contact Hours
3	Working Capital Management Meaning and need of Working Capital, Objectives and Composition of Working Capital, Various Components of Current Assets and Current Liabilities, Factors Affecting Composition of Working Capital, Liquidity vs. Profitability in the context of Working Capital Management, Management of Inventories, Management of Accounts Receivable and Accounts Payable, Estimation of Firm's Working Capital needs using the Operating Cycle	9
4	Capital Expenditure and Capital Budgeting Meaning of Capital Expenditure, Meaning and Significance of cost of capital, The cost of capital and opportunity cost concept, Cost of equity, Cost of preference shares , Cost of Debt Weighted Average Cost of Capital (WACC), Cost of Capital and Investment Analysis, Nature of Investment Decisions, Investment evaluation criteria – Payback period, Accounting Rate of Return (ARR), Net Present value, Internal rate of return, Comparison between NPV and IRR.	9
5	Dividend Policy, Bonus and Rights Issue: Dividend Policy, Relevance and Irrelevance Concepts of Dividend,, Bonus Shares, Right Issues, ESOP & Corporate Action Delivery, Recent case studies on corporate dividend practices in India	9
Total Hours		45

Suggested List of Experiments:

Contents : Unit	Topics	Contact Hours
1	Issues related to Financial Mangement Issues related to Financial Mangement	15
Total Hours		15

Textbook :

- 1 Financial Management , Maheshwari, S. N., & Pandey, I. M., Sultan Chand & Sons., 2015

References:

- 1 Fundamentals of Investment Management, Fundamentals of Investment Management, Bhalla, V. K., S. Chand, 2015

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

Remember / Knowledge	Understand	Apply	Analyze	Evaluate	Higher order Thinking / Creative
10.00	10.00	30.00	10.00	20.00	20.00

Supplementary Resources:

- 1 https://www.researchgate.net/publication/372739666_Financial_Management_Concepts_A_Review
- 2 <https://resource.cdn.icai.org/81839bos65985-cp9u6.pdf>
- 3 <https://www.rbi.org.in>
- 4 <https://www.sebi.gov.in>