

Semester	II	Specialization	NA
Course code	202	Type	Generic core
Course Title	Financial Management		

Course Objectives:

1. To understand various concepts related to financial management.
2. To study in detail, various tools and techniques in the area of finance.
3. To develop the analytical skills this would facilitate the decision making in Business situations.

Syllabus

Unit Number	Contents	No. of Sessions
Unit – 1	<u>Business Finance:</u> Introduction of Business Finance: Meaning, Definition of Financial Management, Goals of Financial Management (Profit Maximization and Wealth Maximization), Modern approaches to Financial Management – (Investment Decision, Financing Decision and Dividend Policy Decisions) Finance and other related disciplines, Functions of finance manager, Key strategies of financial management, Financial Planning – Principles and Steps in Financial Planning.	(Hours: 3+2)
Unit – 2	<u>Capital structure:</u> Meaning, Factors affecting the capital structure, Different Sources of Finance and its Types, Concept and measurement of cost of capital, measurement of specific costs WACC, Trading on equity and its types.	(Hours: 8+2)
Unit – 3	<u>Techniques of Financial Analysis:</u> Meaning , Nature, Objectives, Understanding of financial statements, Schedule VI of Companies Act, Tools of analysis, interpretation and limitations of financial analysis, Fund flow statement (Working capital basis), Understanding Cash flow statement – Difference between Cash flow and Fund flow statement, Ratio analysis (computation and interpretations of ratios)	(Hours: 8+2)

Unit – 4	<p><u>Capital Budgeting:</u></p> <p>Meaning, Definition and types of evaluating the project on the basis of Traditional Techniques and Modern Techniques (viz. Payback period, Discounted Payback period, NPV, ARR, IRR, PI) Time Value of Money.</p>	(Hours: 8+2)
Unit – 5	<p><u>Working Capital Management:</u></p> <p>Nature and Scope, Components of working capital, operating cycle, types of working capital, Sources of Working Capital Financing, Factors affecting working capital, estimation of working capital requirement.</p>	(Hours: 8+2)
Very Important Instructions for Problems	<p><u>Note:</u></p> <ol style="list-style-type: none"> 1. Theory 30% and Numerical Problems 70%. 2. Numerical Problems will be asked on following topics only – Calculation of Cost of Capital: Specific Costs – Cost of Equity / Preference / retained earnings and Debt, Weighted Average Cost of Capital, Leverages. Problems on Ratio analysis (computation and Interpretations of ratios) Simple problems on Fund flow statement Capital budgeting: Payback period, Discounted Payback Period, NPV, ARR, IRR, PI. Problems on Estimation of Working Capital. 	

Learning Resources:		
1	Text Books	<p>Financial Management by Khan & Jain (TATA McGraw Hill)</p> <p>Contemporary Financial Management by Rajesh Kothari (Macmillan Publication)</p> <p>Financial Management by I. M. Pandey (Vikas Publication)</p> <p>Corporate Finance, Theory and Practice, Aswath Damodaran (Wiley Publication)</p> <p>Financial Management Principle and Practices by S. Sudarsana Reddy(Himalaya Publication)</p> <p>Fundamentals of Financial Management by Sheeba Kapil (Pearson Publications)</p> <p>Financial Management by Dr. E. B. Khedkar and Dr. D. B. Bharati</p>
2	Reference Books	<p>Financial ACCT with coursemate-Godwin/Aderman/Sanyal-Cengage Learning</p> <p>Financial Management by Jonathan Berk, Peter DeMarzo and Ashok Thampy (Pearson Publication)</p> <p>Financial Management: Theory & Practice by Brigham</p> <p>Financial Management: Principles & Practice by Lasher</p>