

## CC: 304: Fundamentals of Financial Management (Core Course)

Theory: Credit: 4 (100 % )

Total Marks: 100

Unit	Topics Covered	Wt.
I	<b>Introduction to Financial management</b> Evolution of Financial Management, Financial Decision in a firm, Goal in Financial Management, The fundamental principle of finance. Risk-Return tradeoff, Organization of the finance function, Emerging roll of the financial manager in India, Long-term Sources of Finance.	20%
II	<b>The Time Value of Money</b> Time Lines and Notation, Future value of a single Amount, Present value of a single Amount, Future value of an Annuity, and Present value of an Annuity.  <b>Leverage</b> Introduction, Operating leverage, Financial leverage, Combined leverage, Implications of leverage, Operating break-even point, financial break-even point and indifference point.	25%
III	<b>Cost of Capital</b> Cost of debt & preference, Cost of equity, Weighted average cost of Capital (WACC), Weighted marginal cost of capital schedule, Floatation cost and the weighted average cost of capital.	20%
IV	<b>Valuation of Bond &amp; Shares</b> Introduction, Concepts of value, Bond value & yields, Valuation of preference share, Valuation of ordinary share Dividend discount models, P/E ratio approach (Relationship between share price, earning & dividend)	20%
V	<b>Capital Structure</b> Nature of financial needs, Capitalization, over and under capitalization, Net Income, Net Operating Income, Modigillani Miller, and Traditional Approach.	15%

### Reference Books:

1. Prasanna Chandra "Financial Management", Tata Mc Graw-Hill, New Delhi.
2. M.Y. Khan & P.K. Jain "Financial Management", Tata Mc Graw-Hill, New Delhi.
3. G. Sudershan Reddy "Financial Management", Himalaya Publication, Mumbai
4. I.M. Pndey "Financial Management", S. Chand, New Delhi
5. Dr. P.C. Tulsian "Financial Management", S. Chand, New Delhi.