

CC: 404: Financial Management (Core Course)

Theory: Credit: 4 (100 %)
Marks: 100

Total

Unit	Topics Covered	Wt.
I	Capital Budgeting : - Meaning, Significance, process.- Estimation of Cash flow based on Straight Line Depreciation and Written Down value methods. - Appraisal methods : PBP, ARR, NPV, IRR and PI.	20%
II	Risk Analysis in Capital Budgeting : Analysis of Risk and uncertainty. - Risk adjusted discounted rate method and Certainty Equivalent method.- Analysis in case of a single project. - Mathematic analysis under uncorrelated and perfectly correlated cash flows, Decision tree analysis applied utility theory.- Analysis in case of multiple Project. Portfolio Theory Approach, Capital asset, Pricing model Approach.	20%
III	Working Capital Management : (a) Overview : 10% Concept, Significance, factors affecting working capital estimation of working capital based on operating cycle approach, Two dimensions of W.C. Mgt- Relative Asset Liquidity and Relative Financing Liquidity (b) Working Capital Financing : 10% Sources of working capital finance including inter-corporate loans, Determining Maximum Permissible Bank Finance based on Tondon and Chore Committee Recommendations.	20%
IV	Management of Inventory : Need to hold inventory, Optimum investment in inventory, E.O.Q. Techniques, Selective inventory Control (ABC Analysis only).	20%
V	Management of Cash : 10% Cash planning, Managing the flow, cash control reports, investment in marketable securities. Management of Receivables : 10% Credit policy variables, Credit Evaluation, Credit Granting Decisions, and Control of receivables.	20%

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.