

Programme Name	Master of Commerce
Semester	First
Paper No	1.31
Course Code	
Course Name	Financial Management
Course Type	Elective Course
Effective from	JUNE 2011
Objective	To understand the conceptual framework of financial management and its application under various environment constraints.

Unit No.	Topic No.	Content	Hrs.	Marks W + %	Credit
1	A	Financial Management Meaning, nature and scope of finance; financial goal-profit vs. wealth maximization; Finance function - investment, financing and dividend decisions.	08	13	0.5
	B	Capital Budgeting Nature of investment decisions; Investment evaluation criteria- net present value internal rate of return, profitability index, payback period, accounting rate of return; NPV and IRR comparison; capital rationing; Risk analysis in capital budgeting.	07	12	0.5
2	A	Cost of Capital Meaning and significance of cost of capital; Calculation of cost of debt, preference capital, equity capital and retained earnings; Combined cost of capital (weighted); Cost of equity and CAPM.	08	13	0.5
	B	Capital Structure Theories Traditional and M.M hypotheses - without taxes and with taxes; Determining capital, structure in practice	07	12	0.5
3	A	Operating and Financial Leverage Measurement of leverages, Effects of operating and financial leverage on profit; Analysis alternate financial plans; Combined financial and operating leverage.	08	13	0.5
	B	Dividend Policies Issues in dividend decisions, Walter's model, Gorden's	07	12	0.5

		model, M.M hypothesis, dividend and uncertainty, relevance of dividend; Dividend policy in practice; Form of dividends; Stability in dividend policy; Corporate dividend behavior.			
4	A	Management of working Capital Meaning, significance and types of working capital; Calculating operating cycle period and estimation of working capital requirements; Financing of working capital and norms of bank finance; Sources of working capital; Factoring services; Various committee reports on bank finance; Dimension of working capital management.	08	13	0.5
	B	Management of Cash, receivables and inventory.	07	12	0.5

Note: - (75 % for practical examples 25 % for Theory)

**References :**

1. Tulsian P. C. : 'Financial Management', S. Chand & Co., New Delhi
2. Saravana Prasath B., 'Cost Accounting & Financial Management', C. Sitaraman Co., Chennai
3. Bhattacharya, Hrishikas : Working Capital Management : Strategies and Techniques, Prentice Hall, New Delhi.
4. Chandra, Prasanna : Financial Decision Making, Prentice Hall, Delhi.
5. Hampton, John : Financial Decision Making, Prentice Hall, Delhi.
6. Pandey, I.M : Financial Management, Vikas Publishing House, Delhi.
7. Van Horne, J.C. and J.M. Wachowicz Jr: Fundamentals of financial Management, Prentice-Hall, New Delhi
8. Khan MY, Jain PK: Financial Management; Tata McGraw Hill, New Delhi.