

FINANCIAL MANAGEMENT			
Course Code	22MBA22	CIE Marks	50
Teaching Hours/Week (L:P:SDA)	4:0:0	SEE Marks	50
Total Hours of Pedagogy	50	Total Marks	100
Credits	04	Exam Hours	03
Course Learning Objectives: <ul style="list-style-type: none"> To familiarise the students with basic concepts of financial management and financial system. To understand the concept of time value of money and its implication. To evaluate investment proposals. To understand the management of working capital in an organization. To analyse the capital structure and dividend decision of an organisation 			
Module-1 (7 Hours)			
Introduction: Financial Management: Definition and scope- objectives of Financial Management- role and functions of finance managers. Interface of Financial Management with other functional areas. Indian Financial System: Structure-types-Financial markets- Financial Instruments -Financial institutions and financial services- Non-Banking Financial Companies(NBFCs). Emerging areas in Financial Management: Risk Management- Behavioural Finance- Financial Engineering- Derivatives (Theory).			
Module-2 (9 Hours)			
Time value of money: Time value of money –Future value of single cash flow & annuity – Present value and discounting-present value of single cash flow, annuity & perpetuity. Simple interest & Compound interest - Capital recovery factor & equated annual instalments. (Theory & Problem).			
Module-3 (9 Hours)			
Long term sources of Finance & Cost of Capital: Shares- Debentures- Term loans and deferred credit-Lease financing- Hybrid financing- Venture Capital-Angel investing- private equity- Crowd funding (Theory Only). Cost of Capital: Basic concepts-Components and computation of cost of capital- Cost of debentures- cost of term loans- cost of preferential capital-cost of equity (Dividend discounting and CAPM model) - Cost of retained earnings - Determination of Weighted average cost of capital (WACC) (Theory & Problem).			
Module-4 (7 Hours)			
Capital structure and Dividend Decisions: Capital structure– Planning the capital structure-optimum capital structure- determination of capital structure- Governance of Equity and Debt-Leverages- EBIT and EPS analysis-Return of Investment (ROI) &Return on Earnings (ROE) analysis.(Theory & Problem). Dividend decisions & policies – Factors affecting the dividend policy – types of Dividend Policy-forms of dividend-bonus issue-stock split (Theory only)			
Module-5 (9 Hours)			
Long term Investment Decisions (Capital Budgeting): Need and importance of capital budgeting and its process-Techniques of capital budgeting – [Payback period, time adjusted payback period, accounting rate of return , Net present value, Internal rate of return, Modified internal rate of return, Profitability index method,). Capital Rationing. Estimation of cash flows for new projects and replacement projects. (Theory & Problem).			
Module-6 (9 Hours)			
Working Capital Management: Sources of working capital- Factors influencing working capital requirements - Current asset policy and current asset finance policy- Determination of operating cycle and cash cycle - Estimation of working capital requirements of a firm. (Theory Only). Case study on Working Capital Determination and the impact of negative working capital.			

Assessment Details (both CIE and SEE)

The weightage of Continuous Internal Evaluation (CIE) is 50% and for Semester End Exam (SEE) is 50%. The minimum passing marks for the CIE is 50% of the maximum marks. Minimum passing marks in SEE is 40% of the maximum marks of SEE. A student shall be deemed to have satisfied the academic requirements (passed) and earned the credits allotted to each course if the student secures not less than 50% in the sum total of the CIE (Continuous Internal Evaluation) and SEE (Semester End Examination) taken together.

Continuous Internal Evaluation:

There shall be a maximum of 50 CIE Marks. A candidate shall obtain not less than 50% of the maximum marks prescribed for the CIE.

CIE Marks shall be based on:

- a) Tests (for 25Marks) and
- b) Assignments, presentations, Quiz, Simulation, Experimentation, Mini project, oral examination, field work and class participation etc., (for 25 Marks) conducted in the respective course. Course instructors are given autonomy in choosing a few of the above based on the subject relevance and should maintain necessary supporting documents for same.

Semester End Examination:

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 50.

- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks with 3 sub questions.
- Each full question will have sub question covering all the topics.
- The students will have to answer five full questions; selecting four full questions from question number one to seven in the pattern of 3, 7 & 10 Marks and question number eight is compulsory.
- 40 percent theory and 60 percent problem in SEE.

Suggested Learning Resources:**Books**

1. Financial Management: Text, Problems & Cases M.Y. Khan & P.K. Jain, TMH, 7/e, 2017
2. Financial Management: Theory and Practice, Prasanna Chandra, TMH, 10/e, 2019
3. Financial Management Dr. G. Nagarajan & Dr. Binoy Mathew, Jayvee Digital Publishing, 2/e, 2022
4. Financial Management, Prahlad Rathod, Babitha Thimmaiah and Harish Babu, HPH, 1/e, 2015.
5. Financial Management, I.M. Pandey, Vikas Publishing, 11/e.

Web links and Video Lectures (e-Resources):

- <https://www.pdfdrive.com/financial-management-and-analysis-workbook-step-by-step-exercises-and-tests-to-help-you-master-financial-management-and-analysis-e158595305.html>
- <https://www.pdfdrive.com/fundamentals-of-financial-management-concise-sixth-edition-e20229517.html>
- https://www.youtube.com/watch?v=CCQwz_Gwo6o
- <https://www.digimat.in/nptel/courses/video/110107144/L01.html>

Note: The aforesaid links and study materials are suggestive in nature, they may be used with due regards to copy rights, patenting and other IPR rules.

Skill Development Activities Suggested

- Identifying the small or medium sized companies and understanding the Investment evaluation techniques used by them.
- Using the annual reports of selected companies, students can study the working capital management employed by them. Students can also compare the working capital management of companies in the same sector.
- Students can choose the companies that have gone for stock split and Bonus issue in the last few years and study the impact of the same on the stock price.
- Students can study any five companies capital structure
- Students can do Company analysis for select companies using profitability and liquidity ratios.

Course outcome

At the end of the course the student will be able to :

Sl. No.	Description	Blooms Level
CO1	Understand the basic financial concepts	L2
CO2	Apply time value of money	L3
CO3	Evaluate the investment decisions	L5
CO4	Estimate working capital requirements	L4
CO5	Analyze the capital structure and dividend decisions	L3

Mapping of COS and Pos

	PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
CO1	1				2	3			
CO2			2				2		
CO3				3				2	
CO4		2		2					3
CO5	1				2	3			