

<b>Name of Faculty</b>	:	Faculty of Commerce and Management
<b>Name of Program</b>	:	Master of Business Administration (MBA)
<b>Course Code</b>	:	2MBA03
<b>Course Title</b>	:	Financial Management (FM)
<b>Type of Course</b>	:	Basic Management (BM)
<b>Year of Introduction</b>	:	2023-24

<b>Prerequisite</b>	:	Students have to knowledge about basic accounts, economics, financial transactions, investment rules, capital, company's managers & financial managers duties and responsibilities.
<b>Course Objective</b>	:	Students will learn business environment and Domain knowledge, critical thinking, business analysis, problem solving and innovative solutions, global exposure and cross-cultural understanding, social responsiveness and ethics, effective communication and leadership as well as Teamwork.
<b>Course Outcomes</b>	:	At the end of this course, students will be able to:
	CO1	Interpret accounting, economic and financial data for planning and decision making in an organization.
	CO2	Examine the impact of investment decisions on a company's value for a given listed company. Estimate the cost of each source of capital and combine these costs into a weighted average cost of capital for a company.
	CO3	Compare dividend policies of Indian corporate with globally practiced dividend policies.
	CO4	Identify and explain corporate agency conflicts and resolutions.
	CO5	Explain the relationship between the risks of capital investment with the opportunity cost of capital and returns.
	CO6	Determine the main factors that financial managers should consider when determining a company's financing strategy.

#### Teaching and Examination Scheme

Teaching Scheme (Contact Hours)			Credits	Examination Marks				
L	T	P		Theory Marks		Practical Marks		Total Marks
SEE	CIA	SEE	CIA					
4	0	0	4	70	30	00	00	100

*Legends: L-Lecture; T-Tutorial/Teacher Guided Theory Practice; P – Practical, C – Credit, SEE – Semester End Examination, CIA - Continuous Internal Assessment (It consists of Assignments/Seminars/Presentations/MCQ Tests, etc.)*

**Course Content**

Unit No.	Topics	Teaching Hours	Weightage (%)	Mapping With COs
1	<p><b>Overview of Financial Management:</b> Meaning, Objectives, Scope, Role and Functions of Financial Management (Financial Decisions), Financial Goal - Profit Maximization versus Shareholders' Wealth Maximization.</p> <p><b>Time value of Money: (theory and numerical)</b> Concepts, Compounding, Discounting, Annuities, Valuation of Bonds, Preference shares and Equity. (numerical)</p>	15	25%	CO1 CO2
2	<p><b>Understanding Investment Decisions (Capital Budgeting Decisions):</b> Meaning, Features, Types and Importance of Investment Decisions: Discounted Cash Flow (DCF), NPV, IRR, MIRR, PI, Discounted Payback, Non-Discounted Cash Flow Techniques: ARR, Payback period</p> <p><b>Cost of Capital: (theory and numerical)</b> Significance, Concept of the Opportunity Cost of Capital, Component Costs of Capital - Cost of Debt, Preference Capital and Equity Capital, Weighted Average Cost of Capital (WACC)</p>	15	25%	CO2 CO3
3	<p><b>Understanding Dividend Decision:</b> Dividend and dividend policy, Factors affecting dividend pay-out, Dividend payment models: (theory and numerical), Dividend relevance model: Walter model, Gordon model, Dividend irrelevance model: MM model</p> <p><b>Understanding Financing Decisions (Capital Structure Decisions): (theory and numerical)</b> NI Approach, NOI Approach, MM Theory with and without Taxes</p> <p><b>Leverage: (theory and numerical)</b> Types of Leverage - Operating, Financial and Combined Leverage.</p>	15	25%	CO3 CO4
4	<p><b>Working Capital Management:</b> Concepts of Working Capital, Operating Cycle, Determinants of Working Capital, Estimating Working Capital Needs. (theory and numerical), Working Capital Finance Policies, Matching approach, conservative approach, aggressive approach.</p>	15	25%	CO5 CO6

	<b>Cash Management: (theory and numerical)</b> Need for Cash Management, Cash Management Cycle., Cash Forecasting through budgeting. Determining the Optimum Cash Balance under Certainty (Baumol's Model) and Uncertainty (The Miller- Orr Model).			
5	<b>Application:</b> Select suitable organization and study: The role and functions of Finance department; Select Scrip or bonds and do the valuation of its Securities; Study the investment decisions, working capital policy and cash budgeting etc.	--	----	

Suggested Distribution of Theory Marks Using Bloom's Taxonomy						
Level	Remembrance	Understanding	Application	Analyse	Evaluate	Create
<b>Weightage</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	-	-

NOTE: This specification table shall be treated as a general guideline for the students and the teachers. The actual distribution of marks in the question paper may vary slightly from above table.

#### Reference Books

Sr. No.	Name of Reference Books
1	Financial Management, theory and Practice- Prasanna Chandra- McGraw -Hill- Latest Edition
2	Financial Management- I M Pandey- Vikas- Latest Edition
3	Financial Management- M. Y. Khan and P.K. Jain- McGraw -Hill- Latest Edition
4	Financial Management- P C Tulasiani- S. Chand- Latest Edition
5	Financial Management- Rajiv Srivastava & Anil Misra- Oxford- Latest Edition

#### List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc

Sr. No.	Name of Journals / Periodicals / Magazines / Newspapers / Web resources, etc
1	News Paper: Business Standard, Economic Times, Times of India
2	Journals: Finance India, Global Journal of Finance & Management, Journal of Business & Financial Affairs etc.
3	Websites pertaining to companies, capital market, RBI etc.