



L	T	P/S	SW/F W	TOTAL CREDIT UNITS
3		-	-	3

Course Title: Financial Management

Course Code: FIBA601 Credit Units: 3

Level: PG

Course Objectives:

- Familiarizing the students with the financial environment of business, especially the financial markets
- Imbibing knowledge about the decisions and decision variables involved in building the liability side of balance sheet of the firm
- Developing the analytical skills by associating the tools and techniques with the situation
- Developing skills for interpretation business information and application of financial theory in financing related decisions

Pre-requisites: The participants must have basis understanding of Financial Accounting.

Student Learning Outcomes:

- Students will be able to appraise the Financial Environment and the Financial System.
- They will be able to analyze the various sources of finance and their optimum allocation.
- Students will be able to assess the rationale behind dividend decision and the retain earnings
- Recognizes the wealth creation processes.

Course Contents/Syllabus:

	Weightage (%)
Module I Introduction	20
Descriptors/Topics A Framework for Financial Decision-Making- Financial Environment, Introduction to Financial Markets and Financial Instruments Changing Role of Finance Managers, Objectives of the firm, Time Value of Money and Risk- Return Analysis	
Module II Financing Decision	25
Descriptors/Topics Leverage Analysis (EBIT-EPS analysis) and Computation of Cost of Capital (WACC &WMCC), Capital Structure Theories- Net Income Approach, Net operating Income Approach, Traditional approach & Modigliani Miller Model, Trade off Models, pecking order theory. Factors determining the optimum capital Structure.	
Module III Investing Decisions – Capital Budgeting and Working Capital Management	25
Descriptors/Topics Capital Budgeting - Estimation of Cash Flows, Criteria for Capital Budgeting Decisions Pay back, ARR, Discounted Payback NPV, IRR, PI, Issues Involved in Capital Budgeting, Risk analysis in Capital Budgeting – An Introduction Working Capital Management - Factors Influencing Working Capital Policy, Operating Cycle Analysis, Management of Inventory, Management of Receivables, Management of Cash and Marketable Securities, Financing of Working Capital.	
Module IV Dividend Decision	15
Descriptors/Topics Introduction, Factors determining dividend policy, and types of dividend. Theories of Dividend Decisions- MM Hypothesis, Walter Model, Gordon Model. Forms of Dividends- cash dividend, Bonus shares, stock split. Dividend policies in practice.	
Module V Valuations Concepts	15
Descriptors/Topics ROI, Economic Value Added, Market Value Added, Shareholders Value Creation.	

Pedagogy for Course Delivery: Lectures will be delivered and case studies method of teaching will be used for real world understanding of the topics

Assessment/ Examination Scheme:

Theory L/T (%)	Lab/Practical/Studio (%)	End Term Examination
30%	NA	70%

Theory Assessment (L&T):

Continuous Assessment/Internal Assessment					End Term Examination
Components (Drop down)	Mid-Term Exam	Project	Viva	Attendance	
Weightage (%)	10%	10%	5%	5%	70%

Lab/ Practical/ Studio Assessment: NA

	Continuous Assessment/Internal Assessment				End Term Examination		
Components (Drop down)							
Weightage (%)							

Text

- Van Horne, J.C. 2012, Financial Management and Policy, 12th Ed., Prentice Hall of India

References:

- Damodaran, A. 2012, Corporate Finance: Theory and Practice, 2nd Ed., Wiley & Sons..
- Brearly, R. A. and Myers, S. C. 2006, Principles of Corporate Finance, 8th Ed., Tata McGraw Hill
- Rustagi, R.P. 2012, Financial Management: Theory, Concepts and Problems, Galgotia Publishing Company.
- Pandey, I.M. 2013, Financial Management, 10th Ed., Vikas Publishing House