

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI - 600 086

B.COM DEGREE

SYLLABUS

(Effective from the academic year 2019 -2020)

FINANCIAL MANAGEMENT

CODE: 19CM/MC/FM44

CREDITS : 4

L T P : 4 1 0

TOTAL TEACHING HOURS: 65

OBJECTIVES OF THE COURSE

- To familiarize students with the principles and practices of financial management
- To provide students a sound conceptual frame work for financial decision-making
- To enable the students to select and apply the techniques in managing working capital
- To assist the student apply the concepts of financial management

COURSE LEARNING OUTCOMES

On successful completion of the course, students will be able to

- Understand the financial environment within which the organizations must operate
- Measure risk and return and explain the tradeoff between risk and return
- Critically evaluate the financial objectives of various types of organizations and the respective requirements of stakeholders
- Calculate the value of various financial assets

Unit 1

(10 Hours)

Introduction to Financial Management

- 1.1 Core Concepts
 - 1.1.1 Investment Decisions
 - 1.1.2 Finance Decisions
 - 1.1.3 Dividend Decisions
- 1.2 Objectives of the Firm
 - 1.2.1 Profit Maximisation
 - 1.2.2 Wealth Maximisation
- 1.3 Objectives of Long term and Short term Capital Management
- 1.4 Time Value of Money-Concepts and Applications
 - 1.4.1 Computation of Time value of Money
 - 1.4.1.1 Compounding Techniques
 - 1.4.1.2 Present Value Techniques

Unit 2

(10 Hours)

Capital Structure

- 2.1 Meaning and Significance of Capital Structure
- 2.2 EPS-EBIT Analysis
- 2.3 Leverages - Meaning and Importance
 - 2.3.1 Types of Leverages

Unit 3 (15 Hours)

Cost of Capital

- 3.1 Meaning and Significance
- 3.2 Cost of Equity and Retained Earnings
- 3.3 Cost of Debt - Redeemable
- 3.4 Cost of Preference - Redeemable
- 3.5 Computation of Overall Cost of Capital - Book Value and Market Value

Unit 4 (15 Hours)

Capital Budgeting

- 4.1 Nature of Capital Budgeting
- 4.2 Evaluating Techniques - Pay Back Period, Average Rate of Return, Net Present Value, Internal Rate of Return and Profitability Index

Unit 5 (15 Hours)

Working Capital Management and Dividend Decisions

- 5.1 Need for Working Capital Management
- 5.2 Determinants of Working Capital Management
- 5.3 Computation and Management of Working Capital
- 5.4 Dividend Policies-Factors determining Dividend payments
 - 5.4.1 Theories of Dividend Policies

BOOKS FOR STUDY

Khan, M.Y. and P.K. Jain. *Basic Financial Management*. New Delhi: Tata Mc Graw Hil, 2017.

Dr. A. Murthy *Financial Management* , Margham Publications, 2013

BOOKS FOR REFERENCE

Chandra., *Fundamentals of Financial Management*. New Delhi: Tata McGraw Hill, 2014.

Van Horne, James C. *Financial Management and Policy*. New Delhi: Prentice Hall of India, 12th edition.2011.

Maheshwari, S. N. *Financial Management*. New Delhi: Vikas, 6th edition, 2013

Pandey, I. M. *Financial Management*. New Delhi: Vikas, 2016.

Ravi M. Kishore. *Taxmann's Financial Management*. New Delhi: K. L. Taxmann, 2016.

JOURNALS

Journal on Risk and Financial Management

Indian Journal of Finance

WEB RESOURCES

www.mdpi.com/

www.indianjournaloffinance.co.in/

www.financeindia.com

PATTERN OF ASSESSMENT

Continuous Assessment Test

Total Marks : 50

Duration : 90 minutes.

Section A - $3 \times 2 = 6$ (no choice)

Section B - $3 \times 8 = 24$ (from a choice of four questions)

Section C - $1 \times 20 = 20$ (from choice of two questions)

Other Components:

Total Marks : 50

Assignments/ Objective Test/ Case Study

End Semester Examination:

Total Marks:100

Duration: 3 hours

Section A – $10 \times 2 = 20$ Marks (no choice 5 Questions theory and 5 Problems)

Section B – $5 \times 8 = 40$ Marks (from a choice of seven questions – 2 theory and 5 problems)

Section C – $2 \times 20 = 40$ Marks (from a choice of four questions- Problems)