

MGT1029	Financial Management	L	T	P	J	C
		2	1	0	4	4
Pre-requisite	Nil	Syllabus version				
		1.0				
Course Objectives: To develop the ability to						
<ol style="list-style-type: none"> 1. The objective of the course is to make a student to understand the basic finance concepts, functions and corporate governance issues faced by financial managers. 2. Achieve skills in Financial management and decision making in companies 3. Use of financial decision making as tool to corporate value addition 						
Expected Course Outcome: On the completion of this course the student will be able to:						
<ol style="list-style-type: none"> 1. Interpret Foundational financial management concepts 2. Understand the concept of time value of money and determine the present and future values of cash flows 3. Know the need and importance of Financial – Investment – Dividend decisions made by companies 4. Develop critical thinking leading to effective financial decisions 5. Analysis and interpreting business data and information 6. Effective financial decision making for competitive advantages 						
Student Learning Outcomes (SLO): 1,7,9,10,12,18						
Module:1	Fundamental Concepts	3 Hours				
Financial Management - Meaning – Scope and Objectives – Finance decisions- Financial goal: Profit maximization Vs. Wealth Maximization- Role of finance manager - Recent development in the domain of financial management						
Module:2	Time Value of Money	5 Hours				
Time preference for money- methods of adjusting cash flows for time value of money : Compounding Method, Discounting Method						
Module:3	Risk and Return	4 Hours				
Introducing risk and return -Risk Diversification: systematic and unsystematic risk - Beta - Risk-free rate - risk premium						
Module:4	Sources of Finance	2 Hours				
Introduction- Short-term Funds, Long-term Funds.						
Module:5	Finance Decisions	5 Hours				
Cost of Capital - significance - Calculation of cost of debt, preference capital, equity capital and retained earnings; Weighted Average Cost of Capital. Capital Structure- Determinants – Theories; Leverage: Financial and Operating Leverage.						
Module:6	Investment Decisions	4 Hours				

Nature of Investment Decisions, Investment Evaluation criteria: net present value, internal rate of return, profitability index, payback period, accounting rate of return			
Module:7	Dividend Decisions	5 Hours	
Dividend Decisions : Determinants of Dividend, Forms of dividends, Issues in Dividend Policy; Walter's model, Gordon's model, M□M hypothesis			
Liquidity Decisions: Concepts of working capital- need of working capital and its determinants – Types -Working capital estimation.			
Module:8	Contemporary issues:	2 Hours	
Total Lecture		30 hours	
Text Book(s)			
1.	I.M. Pandey (2015), Financial Management, 11th Edition, Vikas Publications		
Reference Books			
1	Shashi K Gupta, Rk Sharma (2014), Financial Management Theory & Practice, 8th Edition, Kalyani Publishers.		
2	M Y Khan, P. K Jain (2014) , Financial Management , Tata Mcgraw Hill .		
3	Prasanna Chandra(2014) , Fundamentals of Financial Management , Tata McGraw Hill		
4	James C VanHorne, John M Wachowicz (2008) , Fundamentals of Financial Management , 13th Edition, Prentice Hall .		
5	Stephen Ross, Randolph Westerfield, Bradford Jordan (2010), Fundamentals of Corporate Finance, Tata Mcgraw Hill.		
Mode of Evaluation: CAT / Assignment / Quiz / FAT / Project / Seminar			
Project			
1.	Project	60 hours	
2.	Tutorial	15 hours	
Recommended by Board of Studies		03-03-2016	
Approved by Academic Council		40	Date 18-03-2016