

## JYOTI NIVAS COLLEGE AUTONOMOUS

**Programme: B. Com/TM/LSCM/Int. B. Com - M.Com.**

**Semester: V**

### **FINANCIAL MANAGEMENT**

**No. of Credits: 4**

**No. of Hours: 60**

#### **COURSE OBJECTIVES:**

- To give insight into financial decision-making as an Investor
- To familiarize the students with the concepts of Financial Management.
- To bring awareness among students regarding investment decisions.

#### **LEARNING OUTCOMES:**

- Help the students to take financial decision and manage personal and company finance.
- Help the students to take correct investment decisions
- Analyze working capital of the company and its impact on business

#### **UNIT 1: INTRODUCTION TO FINANCIAL MANAGEMENT**

**12 HRS**

**Introduction**—Meaning of Finance, Business Finance, Finance Functions, Organization, Structure of Finance Department; Financial Management—Goals of Financial Management.

**Financial Decisions**—Types of Financial Decisions, Role of a Financial Manager; Financial Planning—Principles of Sound Financial Planning, Steps in Financial Planning, Factors influencing a Sound Financial Plan.

#### **UNIT 2: TIME VALUE OF MONEY**

**12 HRS**

Meaning, Need, Future Value (Single Flow, Uneven Flow and Annuity); Present Value (Single Flow, Uneven Flow and Annuity); Doubling Period; Concept of Valuation—Valuation of Bonds, Debentures and Shares (Simple Problems)

#### **UNIT 3: FINANCING AND DIVIDEND DECISIONS**

**12 HRS**

**Financing Decision:** Sources of Long-Term Finance —Meaning of Capital Structure, Factors influencing Capital Structure, Optimum Capital Structure—EBIT, EPS Analysis, Leverages—Problems.

**Dividend Decision:** Meaning and Determinants of Dividend Policy, Types of Dividends, Bonus Shares (Meaning only)

#### **UNIT 4: INVESTMENT DECISIONS**

**12 HRS**

Meaning and Scope of Capital Budgeting, Features and Significance, Techniques—Payback Period, Accounting Rate of Return, Net Present Value, Internal Rate of

Return and Profitability Index (Problems)

## **UNIT 5:WORKING CAPITAL MANAGEMENT**

**12 HRS**

Working Capital-Concept of Working Capital, Significance of Adequate Working Capital, Types of Working Capital, Issues faced by management – supply chain finance, digitalization, statistical forecasting, emerging ESG (Environment Sustainable Governance) Problems of Excess or Inadequate Working Capital, Determinants of Working Capital, Sources of Working Capital, Estimation of Working Capital (Simple Problems)

### **SKILL DEVELOPMENT ACTIVITIES:**

- Calculate Equated Installment and prepare Loan Repayment schedule using imaginary figures.
- Identify capital structure practices followed in any firm/company of your choice.
- Collect the information on various types of bonds offered by government and record the same.
- Prepare a working capital statement using imaginary values.

### **BOOKS FOR REFERENCE**

1. I M Pandey, Financial Management, Vikas Publication.
2. Prasanna Chandra, Financial Management, TMH
3. S N Maheshwari, Financial Management, SultanChand
4. Khan and Jain, Financial Management, TMH
5. Dr. V Rajesh kumar and Nagaraju V, Financial management, M H India
6. Dr. Aswathanarayana. T, Financial Management, VBH
7. K. Venkataramana, Financial Management, SHBP
8. G. Sudarshan Reddy, Financial Management, HPH
9. Sharma and Shashi Gupta, Financial Management, Kalyani Publication

**Note: Latest edition of text books may be used.**