

Veer Narmad South Gujarat University
First Year B.Com.
External
Course Code - CE 225 J
FINANCIAL MANAGEMENT
(Syllabus effective from Academic Year 2023-24)

Objective: The objective of this course is to help students understand the conceptual framework of financial management.

COURSE INPUTS

UNIT I

Financial Management: Financial goals; Profit v/s wealth Maximisation. (5%)

UNIT II

Financial functions - Investment, financing. and dividend decisions: Financial planning. (7%)

UNIT III

Capital Budgeting: Nature of Investment decisions, Investment evaluation criteria, payback period, accounting rate of return, net present value, Internal rate of return profitability Index; NPV and IRR comparison. (10%)

UNIT IV

Various Sources of Long Term Funds - Equity Shares. Preference Shares. Debentures and Bonds and Long term Loans. (10%)

UNIT V.

Cost of Capital: Significance of cost of capital; Calculating cost of debt; Preference shares, equity capital, and retained earnings; Combined (weighted) cost of capital. (10%)

UNIT VI Operating and Financial Leverage: Their measure; Effects on profit analyzing alternate financial plans, combined financial and operating leverage. (10%)

UNIT. VII Capital Structure: Theories and determinants. (5%)

UNIT. VIII Dividend Policies: Issues in dividend policies; Walter's model; Gordon's model; M.M.Hypothesis, forms of dividends and stability in dividends determinants. (10%)

UNIT. IX Management of Working Capital: Nature of working capital, Significance of working capital, operating cycle and factors determining of working capital requirements; Management of working capital - cash. receivables. And Inventories. (10%)



UNIT X Financial Marketing: meaning, Characteristics, Importance of Markets, Types of financial market, Difference between Capital and Money market

(10%)

UNIT.XI Case Study

(13%)

Suggested Readings

1. Van Home J C: Financial Management and Policy: Prentice Hall of India. New Delhi.
2. Van Home J.C: Fundamentals of Financial Management: Prentice Hall of India. New Delhi.
3. Khan M.Y. and Jain P.K: Financial Management, Theory and Problems. Tala McGraw Hill, New Delhi.
4. Prasanna Chandra: Financial Management Theory and Practice; Tala McGraw Hill, New Delhi.
5. Pandey I.M: Financial Management: Vikas Publishing House, New Delhi
6. Brigham E.F. Oapenski L.C., and Ehrhardt M.C: Financial Management - Theory and Practice: Harcour College Publishers. Singapore.
7. Bhalla V.K.: Modern Working Capital Management, Anmol Pub, Delhi

