

OBJECTIVES: To expose the students to the fundamentals of finance. To develop an understanding of tools that are used to value investment projects.

Module - I: Financial management – Meaning – Nature and scope of finance – Financial goals – Profit & Wealth maximization – Financial planning and financial forecasting – Finance functions.

Module - II: Capital structuring – capital structuring theories – traditional and MM hypothesis – capital structure planning – objectives of optimal capital structure – Cost of capital – Meaning – Significance of cost of capital – Operating and financial leverage – Analysis. (Case Study)

Module - III: Working capital management & dividend decision – WC Management – Meaning – Significance and types of working capital – Sources of working capital – Management of inventory; cash – Account receivables – Dimensions of working capital management.

Module - IV: Capital budgeting – Nature of investment decision – Criteria for investment evaluation – Net present value – Payback period – Accounting rate of return – PI , IRR, (Case Study)

Module-V: Dividend decisions- Meaning-Factors influencing Dividend policy-Types of Dividend Policies – Forms of Dividend-Dividend models-Walter's Model-Gordon's Model and MM Hypothesis. (case study)

REFERENCES:

1. Maheshwari S.N., Financial Management, Sultan & Sons Publications, 2012.
2. ChandraPrasanna, Financial Management, Tata McGraw Hill Publishing, 2012.
3. Khan & Jain, Financial Management, Tata McGraw Hill Publishing, 2012.
4. Pandey IM, Financial Management, Vikas publishing House, 2012.

