

**BACHELOR OF COMMERCE - FIFTH SEMESTER  
FINANCIAL MANAGEMENT**

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Code: SC5.3

Contact Hours: 56

Credits: 4

Evaluation: Continuous Internal Assessment – **30 Marks**  
Semester-End Examination – **70 Marks**

Univ Code:

Work load: **4 hours per week**

**Objectives:** To provide a conceptual understanding on financial management and enable the students to take important financial decisions by applying appropriate techniques and approaches.

**Pedagogy:** Combination of lectures, assignments, discussions, simple case studies, etc.

**Module1:** **Financial Management** - Introduction – meaning and definitions, objectives of financial management – profit maximization and wealth maximization – an overview of financial management, Role of financial manager.

**Module 2:** **Capital Budgeting Decisions** – Analysis of capital budgeting decisions – capital budgeting process – evaluation criteria – discounted and non-discounted techniques – Payback Period – Average Rate of Return – Net Present Value Method – IRR Method – Profitability Index.

**Module 3:** **Financing Decisions** – Capital structure – determinants of capital structure – leverage – Financial, Operating and Combined leverage – Capital Structure Theories – NI and NOI and Traditional Approaches – MM Hypothesis – EBIT – EPS Analysis.

**Module 4:** **Working Capital Management** – Concepts of working Capital – Factors influencing size of working capital – Estimating working Capital requirement – financing current assets – Cash Management – Receivables Management and Inventory Management.

**Module 5:** **Dividend Decisions:** Types of Dividend – Determinants of Corporate Dividend policy.

**Note:** Students are expected to answer theory questions and solve practical problems.

**Recommended Books**

1. Financial Management - M.Y.Khan and Jain
2. Financial Management –PrasannaChandra
3. Financial Management - I.M.Pandey