

FINANCIAL MANAGEMENT

Sem	Subject Code	Category	Lecture	Hrs per Sem	Theory		Practical	Credits
			Hrs per Week		Hrs per week	Hrs per Sem		
VI	21CCO6B	Core - XVII	6 hrs per week	90	6 hrs per week	90	-	5

COURSE OBJECTIVE:

- To equip the students with the understanding time value of money & use it for decision making.
- To provide students with knowledge on management of working capital & capital budgeting.

COURSE OUTCOMES:

On successful completion of the course, the student will be able

CO	CO Statement	Knowledge Level (K1 – K5)
CO1	To understand the overall role and importance of the finance function.	K3, K2
CO2	To apply EBIT EPS analysis associate with financial data in the corporate	K3
CO3	To analyse the complexities associated with management of cost of funds in the capital	K4
CO4	To demonstrate the concepts of financial management and investment, financing and dividend policy decisions	K3
CO5	Demonstrate the applicability of the concept of working capital in business	K2, K3

**Knowledge Level: K1- Remember; K2- Understand; K3- Apply; K4 Analyse*

MAPPING WITH PROGRAMME OUTCOMES:

COS	PO1	PO2	PO3	PO4	PO5	PO6
CO1	S	S	S	M	M	M
CO2	S	M	S	M	S	S
CO3	S	S	M	M	S	S
CO4	S	M	M	M	S	M
CO5	S	M	S	S	M	S

S-Strong; M-Medium; L-Low

UNIT – I INTRODUCTION**15 Hours**

Financial Management – Meaning and Definition – Objectives - Profit Vs. Wealth Maximization – Functions of Financial Management – Scope –Methods and Tools of Financial Management - Functions of Finance Manager–Financial Planning – Characteristics of a sound Financial Planning - Factors affecting Financial Planning –Essentials of Sound Financial Plan - Methods and Sources of raising Finance – Critical Appraisal of various Sources of Finance.

UNIT – II CAPITAL STRUCTURE:**20 Hours**

Capital Structure - Meaning and Definition – Difference between Capital Structure and Capitalisation – Optimum Capital Structure – Factors determining Capital Structure – Theories of Capital Structure - Net Income (NI) Approach and Net Operating Income (NOI) Approach– Traditional Approach – Modigliani and Miller Approach.

UNIT – III COST OF CAPITAL**20 Hours**

Cost of Capital -Meaning and Definition- Significance of cost of capital – Components of Cost of Capital – Importance of Cost of Capital – Factors affecting Cost of Capital – Types of Cost of Capital - Computation of Cost of Debt – Cost of Preference Shares – Cost of Equity and Weighted Average Cost of Capital (Only Simple Problems).

UNIT – IV DIVIDEND POLICY**20 Hours**

Dividend –Meaning -Types of Dividend –Meaning of Dividend Policy – Types of Dividend Policy- Objectives of Dividend Policy- Factors influencing Dividend Policy-Theories of Dividend Policy - Walter’s model and Gordon’s Model

UNIT – V WORKING CAPITAL**15 Hours**

Meaning and Definition of Working Capital – Nature, Types and Importance of Working Capital- Operating Cycle - Factors determining Working Capital Requirement- Computation of Working Capital (Only Simple Problems)

DISTRIBUTION OF MARKS: THEORY 80% - PROBLEMS 20%**TEXT BOOKS:**

S.No	Title of The Book	Author	Publications	Year of Publication
1	Financial Management	A.Murthy	Margham Publications	2012
2	Financial Management,	Prasanna Chandra	Tata Mc Graw Hill.	2010
3.	Investment Analysis and Portfolio Management	M.Ranganthan and R.Madhumathi	Dorling Kindersley India (p) Ltd licensees of Pearson Education in South Asia	2011
4.	Financial Management	I.M. Pandey	Vikas publishers	2013
5.	Fundamentals of Financial Management (14th Edition)	R P Rustagi	Taxmann Publications	2014

REFERENCE BOOKS:

S.No	Title of the Book	Author	Publications	Year of Publication
1	Financial Management	P.V. Kulkarni and B.G. Satya Prasad	Himalaya Publishing House	2010
2	Security Analysis and Portfolio Management	E.Fischer and Ronald J:	Prentice Hall of India	2007
3.	Principles of Corporate Finance	Richard A. Brealey, Stewart. C. Myers, Franklin Allen,	Tata Mc Graw-Hill.	2011
4.	Financial Management	Dr.S.P.Gupta	Sahitya Bhavan Publications	2014
5.	Basic Financial Management	Vanitha Tripathi	Taxmann's	2017

TEACHING METHODOLOGY:

- Class room teaching
- Discussions
- PPT Presentations
- Seminar
- Charts/ Models/ Demo
- Blended Learning

SYLLABUS DESIGNER:

- Ms.D.Vijaya Nirmala, Assistant Professor & Head.
- Dr. K.Vinithi, Assistant Professor.