

SAINT CLARET COLLEGE, ZIRO
COMMERCE
SYLLABUS AS PER RGU SEMESTRAL SCHEME
(Subjected to syllabus enrichment by SCCZ for Claretines)

Semester IV

BCM 403: Financial Management

Total Marks: 100 (80- End Semester and 20-Sessional)

Objectives: Having studied this paper, a student will be able to:

- a. Familiarize with basic concepts of financial management and the role of financial management in decision – making*
- b. Understand time value of money and valuation of various securities*
- c. Explain various financing decision, computation and analysis of ebit, ebt and eps*
- d. Understand the concepts of capital budgeting and various technique of capital budgeting*
- e. Understand the concepts of working capital and dividend decision.*

- Unit 0: Baseline Analysis:** Introduction of basic concepts, objectives, and goal setting.
- Unit I:** Financial Management- Meaning of Financial Management, Finance Function, Goals of Financial Management, Financial Decisions, Role of a Financial Manager, Financial Planning, Steps in Financial Planning, Principles of Sound Financial Planning.
- Unit II:** Time Value of Money- Meaning, Definition, Need, Future Value, Present Value, Concept of Valuation: Valuation of Bonds, Debentures and shares. (Theory and Simple Numerical)
- Unit III:** Financing Decision- Capital Structure, Factors influencing Capital Structure, Optimum Capital Structure, Leverages, Computation & Analysis of EBIT, EBT, EPS. (Theory and Simple Numerical)
- Unit IV:** Investment Decision- Meaning and Definition of Capital Budgeting, Features, Significance, Process, Techniques: Payback Period, Accounting Rate of Return, Net Present Value, Internal Rate of Return and profitability index. (Theory and Simple Numerical)
- Unit V:** Liquidity & Dividend Decision- Concept of Working Capital, Significance of Adequate Working Capital, Determinants of Working Capital, Estimation of working capital requirement; Dividend Decision: Meaning and Definition, Determinants of Dividend Policy, Types of Dividends (Theory and Simple Numerical).

Unit 100: **Advanced skills:** Revision of concepts, journal/magazine reviews, and assignments/projects.

Recommended Readings:

Khan, M. Y., & Jain, P. K. (2018) *Financial Management (text, problems and cases)* Chennai: Tata McGraw Hill publication.

Sharma, R. K., & Gupta, S. K. (2011). *Financial Management*. New Delhi: Kalyani Publication.

Pandey, I M. (2011). *Financial Management*. New Delhi: Vikas Publication.

Gupta, P., & Arora A. K. (2013). *Financial Management*. New Delhi: Vayu Education of India

Palanivelu. V. R. (2011). *Financial Management (theory, problems and solutions)*. New Delhi: S. Chand publication.

Chandra, P. (2019). *Financial Management: theory and practice*. New Delhi: Tata McGraw Hill publication.

Kumar, S., Verma, A., & Kumar, C. V. R. S. Vijaya (2019) Does leverages influence firms investment decision? The case of BSE SOO Index companies. *SJCC Management Research Review*, 9 (1), 26-40.

Time value of money. Retrieved from <http://epgp.inflibnet.ac.in/Home/ViewSubject?catid=6>