

IV. CORE COURSE -C 14:

(Credits: Theory-05, Tutorial-01)

Marks : 25 (MSE: 1Hr) + 75 (ESE: 3Hrs)=100**Pass Marks (MSE + ESE) =40*****Instruction to Question Setter for******Mid Semester Examination (MSE):***

There will be **two** group of questions. **Group A is compulsory** and will contain five questions of **very short answer type** consisting of 1 mark each. **Group B will contain descriptive type** six questions of five marks each, out of which any four are to answer.

End Semester Examination (ESE):

There will be **two** group of questions. **Group A is compulsory** and will contain two questions. **Question No.1 will be very short answer type** consisting of ten questions of 1 mark each. **Question No.2 will be short answer type** of 5 marks. **Group B will contain descriptive type** six questions of fifteen marks each, out of which any four are to answer.

Note: There may be subdivisions in each question asked in Theory Examinations.

FINANCIAL MANAGEMENT**Theory: 75 Lectures; Tutorial:15 Lectures**

Objective: To familiarize the students with the principles and practices of financial management.

Contents:

Unit I:

Financial Management : Nature, Scope and Objective, Profit Maximisation Vs. Wealth Maximisation, Time Value of Money- Compounding and Discounting concept, Risk and Return

Lectures: 15**Unit II:**

Capital Budgeting Process, Cash Flow Estimation, Payback Period Method, Accounting Rate of Return Method, Net Present Value (NPV), Internal Rate of Return (IRR).

Lectures: 15**Unit III:**

Cost of Capital and Financing Decisions: Sources of Long term Financing Estimation of Components, Components of Cost of Capital, Methods of calculating cost of equity capital, Cost of Retained Earnings, Cost of Debt and Cost of Preference Capital

Capital Structure: Determinants, Theories of Capital Structure (Net Income, Net Operating, MM Hypothesis, Traditional Approach), Determinants of Capital Structure.

Lectures: 15**Unit IV:**

Dividend Decision: Theories for Relevance and Irrelevance of Dividend Decision for corporate valuation, Cash and Stock Dividends, Dividend policies in practice.

Lectures: 15**Unit V:**

Working Capital Decisions: Concept of working capital, Factoring affecting Working Capital, Sources of short term finance, working capital estimation, Brief Introduction of Cash management, Receivables Management, Inventory Management and payables management.

Lectures: 15

Session 2019-22 onwards