

Teaching Lesson Plan

Semester-VI

MJ 14: FINANCIAL MANAGEMENT AND PRINCIPLES

Lecture hours: 60

OBJECTIVES: To enable students to acquire knowledge of principles and practice of financial management.

SN	Subject and Objectives	Lectures Hrs	Methodology	Evaluation Mode
Unit-I	Financial Management: An Overview	10Hrs		
	Nature, scope, and objectives of financial management. Financial decision making and types of financial Decisions. Role of finance manager. Stakeholders' wealth maximization. An overview of time value of money and risk and return. Risk-return framework for financial decision making.	10	PPT, Illustrations	Q & A, Assignments
Unit-II	Capital Budgeting Decision	10Hrs		
	Nature, significance, and kinds of capital budgeting decisions. The Capital Budgeting Process, Cash Flow Estimation, Different techniques of Capital budgeting: Payback Period Method, Discounted Payback Period Method, Accounting Rate of Return, Net Present Value (NPV), Internal Rate of Return (IRR) and Profitability Index. Capital budgeting decision under inflation.	10	PPT, Illustrations	CIA
Unit-III	Cost of Capital and Financial Decision	10Hrs		
	Cost of Capital: Estimation of components of cost of capital: Method for calculating cost of equity, Cost of retained Earnings, Cost of Debt, Cost of Preference Capital, Weighted Average Cost of Capital (WACC) and Incremental (Marginal) Cost of Capital. Capital Structure: Theories of Capital Structure (Net Income, Net Operating Income, MM Hypothesis, Traditional Approach). Determinants of Capital Structure, Operating, Financial and Combined Leverage. EBIT EPS Analysis.	10	PPT, Illustrations	Q & A, Assignments
Unit-IV	Dividend Decision	10Hrs		
	Theories for relevance and irrelevance of dividend decision for corporate valuation- MM Approach, Walter 's Model, Gordon 's Model. Determinants of Dividend policy.	10	PPT, Illustrations	Q & A, Assignments
Unit-V	Working Capital Decision	10Hrs		
	Concepts of Working Capital, Operating & Cash Cycles, Risk-return Trade off, working capital estimation, Brief Introduction of Cash management,	10	PPT, Illustrations	Q & A, Assignments

	Receivables Management, Inventory Management, and payables management.			
Unit-VI	Corporate Restructuring and Contemporary Issues in Financial Management	10Hrs		
	Corporate restructuring. Mergers and Acquisitions-types, sources of takeover gains, Contemporary issues in financial management.	10	PPT, Illustrations	Q & A, Assignments

Reference Books:

1. Brealey, Richard A, Myers Stewart C, Allen Franklin, Mohanty, Pitabas. Principles of Corporate Finance. McGraw Hills Education.
2. Khan, M.Y. and Jain, P.K. Financial Management: Text and Problems. Tata McGraw Hills, New Delhi.
3. Kothari, R. Financial Management: A Contemporary Approach. Sage Publications Pvt. Ltd. New Delhi.
4. Maheshwari, S. N. Elements of Financial Management. Sultan Chand & Sons.
5. Maheshwari, S. N. Financial Management – Principles & Practice. Sultan Chand & Sons.
6. Pandey, I. M. (2022). Essentials of Financial Management, (5th ed.). Pearson.
7. Rustagi, R.P. Fundamentals of Financial Management Taxmann. New Delhi.
8. Sharma, S.K. and Sareen, Rachna. Fundamentals of Financial Management Sultan Chand & Sons(P) Ltd. New Delhi.
9. Singh, J.K. Financial Management: Theory and Practice. Galgotia Publishing House New Delhi.
10. Singh, Surender and Kaur, Rajeev. Fundamentals of Financial Management. SCHOLAR Tech Press. New Delhi.
11. Tulsian, P.C. and Tulsian, B. Financial Management, S. Chand. New Delhi.

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