

Subject Code: 1CM1010602

Subject Title: Fundamentals of Financial Management

Course Objective: To make the students aware about the various concepts of financial management and to provide in depth knowledge of it.

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)		
Lecture	Tutorial	Practical	Credit	University Assessment	Institutional Assessment	Total
3	0	0	3	70	30	100

Subject Contents			
Sr. No	Topic	Total Hours	Weight (%)
1	<p>(A) Introduction of Financial Management:-</p> <ul style="list-style-type: none"> • Meaning of finance and financial management. • Goals/Objectives in financial management • Finance function: Traditional & modern approach • Classification of finance functions: Executive & incidental functions • Emerging Roles of finance manager in India <p>(B) Time value of money</p> <ul style="list-style-type: none"> • Meaning of Time value of money & its usefulness, • Compounding & discounting Techniques • Future value of a single amount, Future value of an annuity • Present value of a single amount, Present value of an annuity • Present value of perpetuity 	9	25%
2	<p>(A) Capital Structure:-</p> <ul style="list-style-type: none"> • Meaning, Characteristics of ideal Capital Structure • Types of capital structure With its merits and demerits • Trading on equity with suitable examples <p>(B) Cost of capital:-</p> <ul style="list-style-type: none"> • Meaning, Characteristics of cost of capital • Significance & various concept of cost of capital • Cost of equity, Cost of preference shares, cost of debt, cost of retained earnings, WACC(Weighted average cost of capital) with suitable example 	9	25%
3	<p>(A) Capital Budgeting:-</p> <ul style="list-style-type: none"> • Meaning, characteristics of capital budgeting • Objectives & Types of capital budget plan • Methods of evaluation of investment Proposals in capital Budgeting (IRR, NPV, Pay Back, ARR, PI method) <p>(B) Working capital:-</p> <ul style="list-style-type: none"> • Meaning of working capital • Characteristics & Types of working capital • Sources of working capital 	9	25%

4	<p>(A) Dividend Policy:-</p> <ul style="list-style-type: none"> • Meaning of Dividend & Dividend Policy • Factor affecting dividend policy • Forms of Dividend, Types of Dividend Policies <p>(B) Stock exchanges & Listing of securities:-</p> <ul style="list-style-type: none"> • Meaning of stock exchange, Functions of stock exchange • Characteristics of stock market, Membership of stock exchange in India • Major stock exchanges in India (BSE & NSE) • Meaning of Listing of securities ,Objectives of listing • Document required for listing of securities • Benefits & limitations of listing 	9	25%

Reference Books:

- Business organization & management-3 , sudhir prakashan, ahmedabad
- DR. P. C. Tulsian “Financial management” S. Chand New Delhi
- Financial management:-B.S. Shah Prakashan, ahmedabad
- I.M .Pandey - Financial management, vikas publishing house pvt Ltd.
- M.Y Khan & P.K. Jain “Financial management” Tata Mc Graw –Hill, New Delhi.
- Prasanna Chandra “Financial management” Tata Mc Graw –Hill, New delhi.