

Subject Code:1MS1010303	Subject Title: Fundamentals of Financial Management
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1. Course Objectives:

- To familiarize students with the concepts, tools and practices of financial management.
- To understand the decisions to be taken by financial managers of business firms.

2. Teaching Scheme (Hours per week)

Lecture (Hrs.)	Tutorial	Practical	Credit	Evaluation Scheme (Marks)			
				University Assessment		Internal Assessment	
				Theory	Practical	Theory	Practical
4	-	-	4	70 Marks	-	30 Marks	-

3. Syllabus:

Module No.	Contents	Total Hours	Weight
1	Financial Management: An Overview (Only Theory) Concept, Meaning, Scope & Importance. Finance Functions: Executive Functions (Financial Decisions) Investment Decisions, Financing Decisions Dividend Decisions, Routine Finance Functions, Risk-Return Trade Off. Goals of Finance Management: Profit Maximization, Wealth Maximization, Position of Finance Function in India Companies.	12	25%
2	Introduction to Indian Financial System & Corporate Financing (Only Theory) Overview of Indian Financial System Financial Markets : Capital Market – Concept, Structure, Players in The Market, Stock Market Intermediaries. Money Market - Concept, Instruments - Treasury Bills, Certificate of Deposits, Call Money Market. Sources of Long-term Instruments – Equity Shares, Preference shares and Debentures, Term Loans.	12	25%

3	<p>Financial Planning & Capitalization (Only Theory) Financial Planning: Meaning, Characteristics, Factors affecting Financial Planning, Limitations. Capitalization: Meaning, Theories of Capitalization- Cost & Earning Theory, Overcapitalization & Undercapitalization: Meaning, Causes, Effects & Remedies.</p>	12	25%
4	<p>Long Term Investment Decisions (Capital Budgeting) [Theory 20% and Examples 80%] Basics of Capital Budgeting: Meaning, Features, Significance, Types, Process, Rationale, Factors. Appraisal Methods : Accounting Rate of Return Technique, Payback Period Technique, Discounted Cash Flow Techniques: NPV, IRR, PI, Estimation of Benefits (Cash Flow) Under Each Technique NOTES: (1) Examples should be based only on SLM methods of depreciation. (2) Examples related to Replacement decisions are not covered.</p>	12	25%

4. Suggested Readings

Books:

1. Financial Management by P.V. Kulkarni & B.G. Satyaprasad, Himalaya Publishing House, Bombay.
2. Financial Management-Principles & Practice by S. N. Maheshwari, Sultan Chand & Sons, New Delhi.
3. Financial Management by I. M. Pandey, Vikas Publication, New Delhi
4. Financial Management by Prasana Chandra, Tata Mcgrawhill Publishing Company, New Delhi.
5. Financial Management by M. Y. Khan and P. K. Jain, Tata Mcgrawhill Publishing Company, New Delhi.