



C. U. SHAH UNIVERSITY, Wadhwan City



FACULTY OF MANAGEMENT STUDIES MASTER OF BUSINESS ADMINISTRATION (MBA)

SEMESTER II (TWO)

CODE 5MS02FMT1

Name of Subject Financial Management

Teaching & Evaluation Scheme

Teaching Scheme (Hours)				Evaluation Scheme (Marks)		
Th	Tu	P	Total	Sessional	External	Total
4	0	0	4	30	70	100

Objective Basics of finance which can help a student to understand the complexity of the valuation in further studies.

Prerequisite Basic knowledge of simple interest, compound interest, its uses and its application.

Course outline

Sr. No.	Course Contents	Number of Hours
1	Concept of Finance, Scope and objectives of Finance; Profit Maximization vs. Wealth Maximization	04
2	Functions of Finance Manager in Modern Age, Financial decision areas	03
3	Time value of money, Risk and Return analysis, Valuation of Securities	06
4	Concept of Gross Working Capital & Net Working Capital, Various Approaches to Working Capital Management	04
5	Factors affecting Working Capital requirement, Working Capital Management: Management of cash, Inventory and Receivables.	05
6	Working Capital Financing: Sources of Short Term Financing, Role of commercial bank in working capital management, Commercial Paper, Factoring and other tools of working capital management	06



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7	Appraisal of project, Techniques of Capital Budgeting and its Applications	06
8	Risk and Uncertainty in Capital Budgeting	03
9	Leverage Analysis-Financing, Operating and Combined Leverage and its implications; EBIT-EPS analysis	05
10	Long-term sources of Finance, potentiality of Equity Shares, Preference shares, Debentures and Bonds as source of long-term Finance	03
11	Concept and Approaches of Capital Structure Decision; NI, NOI, Traditional and Modigliani Miller Approach; Cost of Equity Share, Preference Share and Debentures.	04
12	Concept of Retained Earnings and plough back of Profits, relevancy and irrelevancy theory of Dividend Decision	04
13	Walter's model; Gordon's Model and Modigliani Miller model	03
14	Factor affecting Dividend Decision	04
Total Hours		60

Learning Outcomes

Theoretical Outcomes Understanding the complexity of the financial calculation.

Practical Outcomes Application of financial system, capital structure of the organization, uses of working capital and maximization of shareholders net worth using various financial tools.

Teaching & Learning Methodology

- Lectures
- Case Studies
- Class Participation

Books Recommended

1. 'Financial Management', I M Pandey, Vikas Publication.
2. 'Financial Management, Theory & practice', Prasanna Chandra, TMH.
3. 'Financial Management', R P Rustogi, Taxmann.

E-Resources

1. http://education-portal.com/articles/List_of_Free_Online_Financial_Management_Courses.html
2. <http://www.openlearningworld.com/innerpages/Finance%20for%20managers.html>