



C.U.SHAH UNIVERSITY, Wadhawancity

FACULTY OF COMMERCE

DEPARTMENT OF MASTER OF COMMERCE (M.COM)

SEMESTER IV (Four)

CODE5MC04FMA1

Name of Subject Financial Management

Teaching & Evaluation Scheme

Teaching Scheme(Hours)				Evaluation Scheme(Marks)		
Theory	Tutorial	Practical	Total	Sessional Exam	University Exam	Total
4	0	0	4	30	70	100

Objective

The objective of this course is to help students to understand the conceptual frame work of financial management and its applications under various environmental constraints.

Prerequisite

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

Course outline:-

Sr. No.	Course Contents	Number of Hours
1	Financial Management : Meaning, nature and scope of finance, Financial goal – profit vs. wealth maximization, Finance functions – investment, financing and dividend decisions.	5
2	Capital Budgeting : Nature of investment decisions; Investment evaluation criteria ; net present value, internal rate of return, profitability index, payback period, accounting rate of return, NPV and IRR	10



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	comparison, Capital rationing. Risk analysis in capital budgeting.	
3	Cost of Capital : Meaning and significance of cost of capital calculation of cost debt. preference capital equity capital and retained earnings combined cost of capital (weighted) cost of equity and CAPM. Capital Structure Theories: Traditional and M.M. hypothesis without taxes and with taxes. Determining capital structure in practice.	13
4	Operating and Financial Leverage : Measurement of leverages, Effects of operating and financial leverage on profit. Analysis of alternate financial plans. Combined, financial and operating leverage.	7
5	Dividend Policies : Issues in dividend decisions, Walter's Model's ;Gordon's model, M-M hypothesis, dividend and uncertainty relevance of dividend; Dividend policy in practice, Forms of dividends; stability in dividend policy, Corporate dividend Behavior.	10
	Total	45

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.
4. 'Financial Management', G. Sudarsana Reddy, HPH



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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>