

BBA II Year	BBA-C403		Semester-IV		
	Financial Management				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
3 Hrs.	30 (20+10)	70	100	06	60

OBJECTIVE: To acquaint students with the techniques of financial management and their applications for business decision making.

- Nature of Financial Management: Finance and related disciplines; Scope of Financial Management; Profit Maximization, Wealth Maximization - Traditional and Modern Approach; Functions of finance – Finance Decision, Investment Decision, Dividend Decision; Objectives of Financial Management; Organisation of finance function. **(12 hours)**
- Capital Budgeting- Meaning and significance of Capital Budgeting. Evaluation Techniques. Cost of capital, cost of different sources of capital. Capital Structures: Approaches to Capital Structure Theories - Net Income approach, Net Operating Income approach, Modigliani-Miller (MM) approach, and Traditional approach, Capital Structure and Financial Distress, Trade-Off Theory. **(15 hours)**
- Dividend Policy Decision - Dividend and Capital; The irrelevance of dividends: General, MM hypothesis; Relevance of dividends: Walter's model, Gordon's model; Leverage Analysis: Operating and Financial Leverage; EBIT -EPS analysis; Combined leverage. **(15 hours)**
- Working Capital Management: Management of Cash - Preparation of Cash Budgets (Receipts and Payment Method only); Cash management technique, Receivables Management – Objectives; Credit Policy, Cash Discount, Debtors Outstanding and Ageing Analysis; Inventory Management (Very Briefly) - ABC Analysis; Minimum Level; Maximum Level; Reorder Level; Safety Stock; EOQ, Determination of Working Capital. **(18 hours)**

SUGGESTED READINGS:

1. Brigham E.F. & Ehrhardt C.M. (2008). Financial Management. USA: Cengage Learning, Mason USA.
2. Chandra P. (1997). Financial Management. New Delhi: Tata McGraw Hill, New Delhi.
3. Chandra P. (1997). Fundamentals of Financial Management. New Delhi: Tata McGraw Hill.
4. Horne V. & James C. (1997). Financial Management and Policy. New Delhi: Prentice Hall Inc.
5. Khan, J. (2012). Basic Financial Management. New Delhi: Tata McGraw Hill.
6. Madura J. (2011). International Financial Management. USA: Cengage Learning.
7. Pandey I. M. (2004). Financial Management. New Delhi : Vikas Publishing House (P) Ltd.
8. Richard A B. (1996). Principles of Corporate Finance. New Delhi: Tata McGraw Hill.
9. Tyagi, C.L. and Tyagi, M. (2003). Financial and Management Accounting. New Delhi: Atlantic Publication.

NOTE: The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time.