

BBA II Year	BBA-C401		Semester-IV		
	Financial Management				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Term Examination(ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
3 Hrs.	30(20+10)	70	100	04	40

	Course Outcomes:	Mapped Program Outcomes
CO.1	Demonstrate an understanding of fundamental financial concepts especially time value of Money.	PO.1, PO.2, PO.7, PO.8
CO.2	Develop knowledge on the traditional and modern approach of financial management.	PO.1, PO.2, PO.3, PO.5, PO.7, PO.8
CO.3	Understanding capital budgeting and evaluation techniques in capital budgeting.	PO.1, PO.2, PO.4, PO.5, PO.7
CO.4	Familiarity with the Dividend policy decision-making concept along with the understanding of Walter Model, Gordon Model, MM Model and leverage analysis.	PO.1, PO.2, PO.3, PO.4, PO.5, PO.6, PO.8
CO.5	Understanding the concept of Working Capital Management, Cash Budget, Receivable Management and Inventory Management.	PO.1, PO.2, PO.4, PO.5,

- 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; Time Value of Money. **(10 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. **(10 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. **(10 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. **(10 hours)**

#### SUGGESTED READINGS:

1. Brigham E.F. & Ehrhardt C.M. (2016). Financial Management. USA: Cengage Learning, Mason USA.
2. Chandra P. (2019). Financial Management: Theory and Practice. New Delhi: McGraw Hill, New Delhi.
3. Horne V. & James C. (2018). Financial Management and Policy. New Delhi: Prentice Hall Inc.
4. Khan, J. (2012). Basic Financial Management. New Delhi: McGraw Hill.
5. Richard A B. (2012). Principles of Corporate Finance. New Delhi: McGraw Hill.

**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.

