

**Financial Management**  
**SEM - II**

**I> Course Content:**

<b>Semester</b>	<b>II Core</b>
<b>Subject</b>	<b>Financial Management</b>
<b>Course Code</b>	<b>MMSC202 (RGCMS)</b>
<b>Credits</b>	<b>4</b>
<b>Duration</b>	<b>40</b>

**Learning Objective:**

- 1) To gain in-depth knowledge of corporate finance and understand the functions of finance management.
- 2) Students should learn to analyse corporate financial statements and other parts of the annual report.

**Module:**

<b>Sr. No.</b>	<b>Content</b>	<b>Activity</b>	<b>Course Outcome</b>
1	Objective of financial management Functions and decisions of financial management Indian Financial system - Functions of the financial system; Financial Assets; Financial markets; Financial intermediaries; Regulatory system	Lecture and theoretical discussion	MMSC202.1
2	Sources of Finance - Short Term and Long Term	Theoretical discussion	
3	Financial Planning and Forecasting Meaning and importance of financial planning Approaches to financial planning Preparation of Pro-forma Income Statement and Balance Sheet Computation of external financing requirements	Lecture and exercises	MMSC202.2
4	Financial performance analysis using Ratio Analysis	Lecture, exercises and assignment	
5	Working Capital Management - Estimation and Financing, Inventory Management, Receivables Management, Cash Management	Lecture, exercises and case discussion	MMSC202.3
6	Dividend Policy: Factors affecting dividend policy decision; Dividend decision models; Walter model; Gordon model; MM approach	Lecture and exercises	
7	Investment (Project) identification, feasibility analysis with sensitivities, constraints and long term cash flow projection Capital Budgeting and Investment Decision Analysis	Lecture, exercises and case discussion	MMSC202.4

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<b>Sr. No.</b>	<b>Content</b>	<b>Activity</b>	<b>Course Outcome</b>
8	Capital Structure Planning and Leverage Analysis: Operating, financial and total Capital Structure Planning and cost of capital	Lecture and exercises	MMSC202.5
9	Theory of capital structure: Net income approach; Net operating income approach; MM approach; Traditional approach	Lecture and exercises	
10	Capital Structure Planning and Designing capital structure based on EBIT and EPS/MPS approach Factors affecting capital structure	Lecture and exercises	MMSC202.6

**II> Course Outcomes:**

<b>Course Code</b>	<b>Course Outcomes Students will be able to _____</b>	<b>Cognition</b>
MMSC202.1	CO1: Understand the basic concepts of Corporate Finance, Indian Financial system and Sources of Finance.	Understand
MMSC202.2	CO2: Analyse the financial statements using ratios and external financing requirements.	Analyse
MMSC202.3	CO3: Analyse the working capital requirements, capital structure approaches and dividend policies.	Analyse
MMSC202.4	CO4: Evaluate capital expenditure decisions using various techniques.	Evaluate
MMSC202.5	CO5: Analyse leverages and different capital structure theories	Analyse
MMSC202.6	CO6: Design optimal capital structure.	Apply

**Text books:**

<b>Sr. No.</b>	<b>Books</b>
1	Financial Management – M.Y. Khan and P.K. Jain
2	Financial Management – Prasanna Chandra

**Reference Books:**

<b>Sr. No.</b>	<b>Books</b>
1	Financial Management – I. M. Pandey
2	Principles of Corporate Finance – Myers and Brealey
3	Fundamentals of Financial Management – James Van Horne
4	Financial Management: theory and practice – Brigham Eugene F; Ehrhardt, Michael C.