

FINANCIAL MANAGEMENT

The course intends to highlight capital structure and market with long term and short term debts. The nerve centre of every business set up is its financial management. Fundamentals of Financial Management are examined in its entirety. The course also tries to explain the Financial Management of MNCs, besides, mergers and acquisitions.

UNIT – I

Financial Management – an overview- nature, significance and scope of financial management. Cost of capital- calculation of cost of various sources of capital and overall cost of capital. Introduction to CAPM model.

UNIT - II

Capital structure theories: NI, NOI, Tradition and MM approach (theory only)
Dividend theories: Walter, Gordon's, traditional and MM approaches (theory only), dividend policy decisions: types and determinants of dividend policy.

UNIT – III

Working capital management: concepts, significance, classification and factors determining working capital, computation of operating cycle, cash cycle and working capital requirements. Inventory Management: meaning and methods. Introduction to Debtor's management and Cash management.

UNIT – IV

Capital budgeting: concept, significance and methods of capital budgeting, problems on various methods of capital budgeting. Financial Management of MNC's: factors peculiar to multinationals, multinational working capital management, multinational capital budgeting, multinational cost of capital (theory only).

UNIT – V

Mergers and Acquisitions: Nature, types, Motives behind merger, five sins of merger, computation of EPS, P/E Ratio, Market Price, No. of shares etc.

Reference Books:

1. Khan and Jain – Financial Management – Tata Mc Graw Hill
2. I. M. Pandey – Financial Management – Delhi, Vikas Publishing House.
3. Prasanna Chandra - Financial Management- Tata Mc Graw Hill
Mao, James C. T – Quantitative Analysis of Financial Decisions – (Mc. Milan)