

SARDAR PATEL UNIVERSITY
Programme: BBA(ISM)
Semester: III
Syllabus with effect from : JUNE 2012

Paper Code: UM03CBBS05	Total Credit: 3
Title Of Paper: Financial Management I	

Unit	Description in detail	Weighting (%)
1	Financial Management An overview (only theory) Introduction Importance of financial management Finance Function Investment decisions Financing decision Dividend decisions liquidity decision Goals of Financial Management Profit Maximization, Wealth Maximization, Organization of the finance function, Agency problem	25 %
2	Cost of Capital (Theory and example) Concept, Cost of Debt, Equity, Preference share & Retained earnings Weighted average cost of capital (As per book value and market value method) Divisional & Project cost of capital	25 %
3	Capital Budgeting (theory and examples) Concept, Time value of money Capital Budgeting process, Project classification Appraisal techniques: Pay back period technique, Accounting rate of return technique Discounted cash flow techniques: NPV, PI, IRR (Numerical merits & demerits)	25 %
4	Working Capital Management (theory and examples) Concepts, Factors affecting working capital requirement Computation of Operating cycle, Estimation of working capital requirement Trade off between liquidity & profitability Two dimensions of working capital Management Relative assets liquidity, Relative financing liquidity Sources of Working Capital, Finance based on Tandon & Chore committee Determining maximum permissible Bank finance	25 %

Basic Text & Reference Books

- Financial Management by Khan & Jain
- Financial Management by I.M. Pandey
- Financial Management & Management Accounting by S.N.Maheshwari
- Financial Management by M.R.Agrawal
- Financial Management BY T.J.Rana

