

**SARDAR PATEL UNIVERSITY**  
**BBA (ISM) (3 Years) Semester - 3**  
**Syllabus with Effect from: 2019-20**

**UM03DBBS21 FINANCIAL MANAGEMENT-I**

**Theory – 100 Marks**

**Credit-3**

| <b>Unit No.</b>  | <b>Name of the Unit</b>                                       | <b>Topics</b>  | <b>Weightage</b> |
|--|---|--|------------------|
| 1.   | <b>Financial Management<br/>An overview<br/>(only theory)</b> | Introduction<br>Importance of financial management<br><b>Finance Decision</b><br>-Investment decisions<br>-Financing decision<br>-Dividend decisions<br>- liquidity decision<br><b>Goals of Financial Management</b><br>-Profit Maximization<br>-Wealth Maximization<br>Organization of the finance function   | 25%              |
| 2.   | <b>Cost of Capital<br/>(Theory and example)</b>               | Concept Cost of Debt, Equity, Preference share & Retained earnings Weighted average cost of capital (As per book value and market value method)  | 25%              |
| 3.   | <b>Capital Budgeting<br/>(theory and examples)</b>            | Concept: Time value of money<br>Capital Budgeting process<br>Project classification<br><b>Appraisal techniques:</b><br>Pay Back period technique<br>Accounting rate of return technique<br>Discounted cash flow techniques: NPV, PI, IRR (Numerical merits & demerits)   | 25%              |
| 4.   | <b>Working Capital Management<br/>(theory and examples)</b>   | Concepts: Factors affecting working capital requirement Computation of Operating cycle: Examples Only<br>Estimation of working capital requirement<br><b>Two dimensions of working capital Management</b><br>Relative assets liquidity Relative financing liquidity<br>Sources of Working Capital<br>Finance based on Tandon & Chore committee<br>Determining maximum permissible Bank finance | 25%              |
| <b>REFERENCES:</b><br>1. Financial Management by Khan & Jain<br>2. Financial Management by I.M. Pandey<br>3. Financial Management & Management Accounting by S.N.Maheshwari<br>4. Financial Management by M.R.Agrawal<br>5. Financial Management BY T.J.Rana<br><br><b>Evaluation: Internal(theory) 40 marks</b><br><b>External(theory) 60 marks</b> |   |  |                  |