

**SARDAR PATEL UNIVERSITY**  
**Programme: BBA (Information Technology Management)**  
**Semester: V**  
**Syllabus with effect from: June-2013**

<b>Paper Code: UM05EBBI03</b>	<b>Total Credit:3</b>
<b>Title Of Paper: Principles of Financial Management</b>	

<b>Unit</b>	<b>Description in detail</b>	<b>Weighting (%)</b>
I	<b>Financial Management: An Overview</b> Meaning, Significance, Scope, Relation of finance with other business functions, Role of Finance Manager, Finance Functions - Risk-Return Trade off Goals of Finance Management eFinance : Use of IT in Financial Decision-making-Functional integration of finance in IT - Review of IT Applications in brief	25%
II	<b>Capitalization:</b> Meaning, Theories of Capitalization- Cost & Earning Theory Overcapitalization & Undercapitalization: Meaning, Causes, Effects & Remedies Leverage Analysis : Operating Leverage, Financial Leverage and combined Leverage and their implications	25 %
III	<b>Long Term Investment Decisions :- (Capital Budgeting)</b> Basics of capital Budgeting: Meaning, Significance, Process <b>Appraisal Methods :</b> Accounting Rate of return technique Payback Period Technique, Discounted PBP Discounted Cash Flow Techniques: NPV, IRR, PI Estimation of Benefits (Cash Flow) under each technique <b>NOTES :</b> Examples should be based only on SLM method of depreciation. Replacement decisions be excluded. Ranking Conflicts & Resolutions	25 %
IV	<b>Capital Structure</b> Assumption & Significance Guiding Principles of Capital Structure Decisions, Factors affecting the pattern of capital structure, Concept of optimum capital structure, Net Income Approach Net Operating Income Approach Traditional Approach Modigliani & Miller Approach	25 %

**Basic Text & Reference Books:-**

- Financial Management : P.V.Kulkarni
- Financial Management : S. N. Maheshwari
- Financial Management : I. M. Pandey
- Financial Management : Prasanna Chandra
- Financial Management : Khan & Jain
- Financial Management : R. S. Kulshreshta
- Fundamentals of Financial Management: Van Horne
- e-Finance - ICFAI University

