

SARDAR PATEL UNIVERSITY
PROGRAMME: B.COM. (HONS') (3 Years)
(International Accounting and Corporate Banking & Insurance)
(Under Choice Based Credit System Based on UGC Guidelines)
Syllabus with effect from: June-2020
Semester: V

Paper Code: UB05CCOH22	Total
Title of Paper: Fundamentals of Financial Management	Credits: 3
Objective: The objective of this course is to provide the students a basic knowledge of Financial Management concepts and analyzing the investment proposals to take investment decisions.	

Unit No.	Description in Detail	Weightage
1	Financial Management : An Overview (Theory only) Concept, Meaning, Importance, Functions, Scope, Goals / Objectives Of Financial Management (Profit And Wealth Maximization), Financial Planning Financial Planning : Meaning, Characteristics, Factors affecting Financial Planning	25%
2	Sources of Finance and Indian Financial System Overview of Indian Financial System Introduction to Capital Market and Money Market Instruments Sources of Long term Finance : Equity Share, Preference Share, Retained Earnings, Debentures, Public Deposits (Meaning and Features only) Introduction to Money Market Instruments: Treasury Bills, Commercial paper, Bankers' Acceptances, Deposits, Certificates of Deposit, Bills of Exchange, Repurchase Agreements	25%
3	Cost Of Capital Theory: Concept, Meaning , Significance, Classification of Cost - (A brief idea of the concepts of Historical Costs, Future Costs, Specific Costs, Composite Costs, Average Costs, Marginal Costs, Explicit Costs and Implicit Costs.) Examples: Calculation of Cost of Debt, Equity, Preference, Retained Earnings, Combined (Weighted) Average Cost of Capital, Weighted Marginal Cost of Capital	25%
4	Long Term Investment Decisions (Capital Budgeting) Basics of capital Budgeting: Meaning, Significance, Types, Process, Factors affecting capital budgeting decision Appraisal Methods : Accounting Rate of return technique ,Payback Period Technique Discounted Cash Flow Techniques: NPV, IRR, PI Note: (1) Examples should be based only on SLM methods of depreciation. (2) Replacement decisions are excluded.	25%

Evaluation : Internal : 40 Marks (Theory)
: External: 60 Marks (Theory) – Two Hours Examination

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