Course Code	Course Title	L	T	P	C
OLMBA510	Financial Management	3	1	0	4
Pre-requisite	NIL	Syllabus version			
		1.0			

Course Objectives:

1. Provide an understanding of the essential elements of financial management and thefinancial environment of business.
2. Deliver the analytical skills required to examine the shareholder wealth maximization.
3. Developing skills for interpretation of business information and application of financialtheory in various decision areas of finance.
4. Developing analytical and behavior skills for interpretation of business information and application of financialtheory in various decision areas of finance.

Course Outcomes:

1. Demonstrate the sound understanding of the concept, functions and importance of financial management for a business firm.
2. Analyze the convolutions associated with management of short-term and long-term funds in the corporate capital structure.
3. Demonstrate the ability to assess and manage financial risks and recommend an optimum capital portfolio for a firm.
4. Combine the knowledge of financial management and investment, financing, dividend policy working capital decisions and Financial Planning and forecasting for ensuring optimum valuation of a firm

Module:1	**Overview of Financial Management**	

Definition of Finance, Areas of Finance, Finance within an organization, Finance and related disciplines, Forms of Business organizations, Goals of Financial management, Stockholder- Manager conflicts; Stockholder-Debt holder conflicts, Balancing shareholder interests and theinterests of society.

Module:2	**Fundamental concepts in Financial Management and Financial Assets**	

Time Value of Money: Future Values, Present Values, Interest rates, Computation of EMI, Annuity, Annuity Due, Perpetuity, Even and Uneven cash flows.
Financial Assets: Bonds and their valuation, Risk and rates of return, Stocks and their Valuation.

Module:3	**Cost of Capital**	

Cost of Capital: Meaning, importance; Measurement of Specific Costs-Cost of Debt-Cost of Equity, Cost of Preference Shares-Cost of Retained earnings; Computation of Overall Cost of Capital. -Weighted Average Cost of Capital, Marginal Cost of Capital.

Module:4	**Capital Budgeting**	

The basics of Capital budgeting; Traditional Methods, Modern methods; cash flow estimationand Risk Analysis-Certainty equivalent factor.

Module:5	**Capital structure and Leverage Analysis**	

Capital Structure: Theories; Net Income Approach; Net Operating Income (NOI) Approach; Modigliani-Miller (MM) Approach; and Traditional Approach. Capital structure and Firm valuation
Leverages: Operating, Financial and combined leverages, In difference point, EBIT- EPS Analysis and Practical applications.

Module:6	**Dividend policy**	
Meaning, forms of Dividend, Dividend Determinants, Relevance of Dividends, Irrelevance of Dividends, Theories in support of relevance and Irrelevance of Dividends- Walter model,Gordon model and MM-Approach and its applications		
Module:7	**Working capital Management**	
Approaches, Types, Significance, Operating cycle, Estimation of working capital needs, Management of Inventories, Management of Cash (Various theoretical models), Management of Receivables and Marketing securities.		
	Total Hours of Study:	**120 Hrs.**

Text Book(s)	
1.	Eugene.,F.Brigham, Joel.F.Houston,(2019),Fundamentals of Financial Management,15th Edition,Cengage.
2.	I.M.Pandey, (2021), Financial Management, 12th edition, Pearson power, India.
Reference Books	
1.	Prasanna Chandra, (2019), Financial Management: Theory and Practice, 10th edition,McGraw Hill, India.
2.	Khan M.Y, Jain P.K, (2018), Financial Management- Text, Problems and Cases, 7thedition, McGraw Hill.
3.	Vanhorne, James C(2016): Financial Management and Policy; Prentice Hall of India,New Delhi.

Mode of Evaluation: Quiz/ Assignment/CAT/FAT			
Recommended by Board of Studies	02-11-2023		
Approved by Academic Council	No. 72	Date:	13-12-2023