

Maulana Abul Kalam Azad University of Technology, WB
(Formerly known as West Bengal University of Technology)

Paper Name: FINANCIAL MANAGEMENT

Paper code: MIM501:

Mode: Offline

Credits: 4

Aims of the course: The objective is to attain a comprehensive understanding of the basics of Financial Management and its application

Course Objectives:

Upon finishing this course, students should have a grasp of the foundational tenets of Marketing Management. Course Outcomes:

CO1: This course equips students with foundational knowledge in Financial Management.

CO2: Through this course, students will know the fundamentals of a Financial plan.

CO3: The course will facilitate active learning and acquiring knowledge regarding emerging Financial management trends.

CO4: The course is designed to furnish students with decision-making skills relevant to Financial management

CO5: Upon completing this course, students will be equipped to find solutions to Financial challenges and explore possibilities in practical settings.

SI	Course content	Mapped Module	Hours allotted
CO1	Introduction: Concepts, Nature, Scope, Function and Objectives of Financial Management. Basic Financial Decisions: Investment, Financing and Dividend Decisions. Financial goals - Profit vs. Wealth Maximization; Finance Functions – Investment, Financing and Dividend Decisions – Cost of Capital – Significance of Cost of Capital – Calculation of Cost of Debt – Cost of Preference Capital – Cost of Equity Capital (CAPM Model and Gordon's Model) and Cost of Retained Earnings – Combined Cost of Capital (weighted/Overall).	M1	6
CO2	Analysis and Interpretation of Corporate Final Accounts: Understanding the Parameters of health of Business: Liquidity, Profitability, Solvency and Efficiency through learning computation, analysis and interpretation of various tools of financial analysis Preparation of Cash Flow Statement as per Accounting Standard and its Analysis	M2	6
CO3	Capital Budgeting – Nature of Investment Decisions – Investment Evaluation criteria – Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI), Payback Period, Accounting Rate of Return (ARR) – NPV and IRR comparison.	M3	4
CO4	Leverage Analysis: Developing the Concept of Leverage in Finance. Computation and inferences of Degree of Operating Leverage, Financial Leverage and Combined Leverage – Measurement of Leverages – Effects of Operating and Financial Leverage on Profit – Analyzing Alternate Financial Plans - Capital Structure Theories - Traditional approach - M.M. Hypotheses – without Taxes and with Taxes – Net Income Approach (NI) – Net Operating Income Approach	M4	6

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	(NOI) - Determining capital structure in practice.		
CO5	Investment Decisions: Analysis of Risk and Uncertainty. Concept and Computation of Time Value of Money, DCF and Non DCF methods of Investment Appraisal. Project selection on the basis of Investment Decisions. Valuating Investment Proposals for Decision Making. Capital Rationing	M5	6
CO6	Dividend Policies – Issues in Dividend Decisions – Relevance Theory – Walter's Model – Gordon's Model – Irrelevance Theory – M-M hypothesis - Dividend Policy in Practice – Forms of Dividends – Stability in Dividend Policy – Corporate Dividend Behaviour.	M6	6
CO7	Management of Working Capital: Concepts, components, Determinants, need, Significance and types of Working Capital – Calculating Operating Cycle Period and Estimation of Working Capital Requirements – Financing of Working Capital and norms of Bank Finance – Sources of Working capital – Factoring services– Various committee reports on Bank Finance – Dimensions of Working Capital Management, Computation of Working Capital for a Company.	M7	6

Learning Outcome/ Skills:

Now a day's business organization is complex with intricate structures. Students have to study how financial allocation to be done and understand the tools of finance departments and functions in a complex environment. Students must be aware about its implication to the business and macro environment as well. They must understand effects of Financial management in decision-making and efficiency.

Module Number	Content	Total Hours	% of questions	Bloom Level (applicable)	Remarks, if any
THEORY					
M1	Introduction: Concepts, Nature, Scope, Function and Objectives of Financial Management.	6	15	1,2	NA
M2	Analysis and Interpretation of Corporate Final Accounts	6	15	1,2,3	NA
M3	Capital Budgeting	4	10	1,2	NA
M4	Leverage Analysis:	6	15	1,2,3	NA
M5	Investment Decisions	6	15	1,2,3	NA
M6	Dividend Policies	6	15	1,2,3	NA
M7	Management of Working Capital:	6	15	1,2,3	NA
Total Theory		40	100		
<u>TUTORIAL</u>		8			
TOTAL		48			