

<b>FINANCIAL MANAGEMENT</b>				
<b>Course Code</b>	<b>:</b>	<b>21CS602</b>	<b>CIE Marks</b>	<b>: 50</b>
<b>Teaching Hours/Week (L: T:P:S)</b>	<b>:</b>	<b>3-0-0</b>	<b>SEE Marks</b>	<b>: 50</b>
<b>Total Hours</b>	<b>:</b>	<b>39</b>	<b>Credits</b>	<b>: 3</b>

**Course Learning Objectives:****This Course will enable students to**

1. Develop basic financial management knowledge essential to make a managerial career in professional life.
2. Impart some of the crucial and basic skills required to work in the area of budgeting, investment and financial decision making.
3. Enable in making a right decisions on selection of projects for investment.
4. Understand the basics of finance and financial markets, project evaluation and selection.

**UNIT - I****TIME VALUE OF MONEY**

Financial Management: Concepts and Meaning – Introduction to Finance; Objectives of Financial Management; Profit Maximization; EVA; Changing Role of Financial Managers. TIME VALUE OF MONEY: TECHNIQUES AND APPLICATIONS OF COMPOUNDING AND DISCOUNTING.

**15 HOURS****UNIT – II****CAPITAL BUDGETING AND WORKING CAPITAL**

Capital Budgeting (Investment Evaluation Techniques): Payback Period Method; Present Worth Method; Annual Worth Method; Profitability index method; Estimation of IRR.

Cost of Capital: Sources of various Types of Capital; Cost of Debenture Capital; Cost of Preferential Capital; Cost of Term Loans; Cost of Equity Capital.

WORKING CAPITAL: FACTORS INFLUENCING WORKING CAPITAL REQUIREMENTS.

**15 HOURS****UNIT – III****INVENTORY MANAGEMENT AND BREAK EVEN ANALYSIS**

Inventory Management: Techniques of Inventory Management and Control – EOQ, ABC Analysis, Just-in-Time (JIT) System

## BREAK-EVEN ANALYSIS: ESTIMATION OF BREAK-EVEN POINT AND VALUES.

## 9 Hours

## Course Outcomes:

**AT THE END OF THE COURSE THE STUDENT WILL BE ABLE TO:**

1. DESCRIBE THE BASIC FINANCIAL MANAGEMENT SKILLS REQUIRED FOR A PROFESSIONAL.
2. EXPLAIN TECHNIQUES AND APPLICATIONS OF COMPOUNDING AND DISCOUNTING AND CALCULATE COMPOUNDED/DISCOUNTED AMOUNT FOR THE GIVEN PROPOSAL.
3. EVALUATE THE GIVEN INVESTMENT OPTION BY CAPITAL BUDGETING TECHNIQUES.
4. DESCRIBE THE BASICS OF COST OF CAPITAL AND WORKING CAPITAL. DETERMINE THE COST OF CAPITAL FOR THE GIVEN INVESTMENT OPTION.
5. DESCRIBE THE BASICS OF INVENTORY MANAGEMENT AND CALCULATE THE ECONOMIC ORDER QUANTITY AND REORDER POINT FOR THE GIVEN CONDITIONS. CALCULATE BREAK-EVEN POINT FOR THE GIVEN MANUFACTURING SETUP.

## Course Outcomes Mapping with Program Outcomes & PSO

[illegible]

**TEXTBOOKS:**

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| <b>1.</b> | M Y Khan, P K Jain , “Financial Management – Text, Problems & Cases”, 7th Edition, 2015; McGraw Hill Education (India) Pvt. Ltd, New Delhi. |
| <b>2.</b> | I M Pandey, "Financial Management", 11th Edition, 2015; Vikas Publishing House Pvt. Ltd. (UP) India.  |
| <b>3.</b> | James L. Riggs, David D. Bedworth and Sabah U. Randhawa, “Engineering Economics”, 4th Edition, Tata McGraw Hill Edition.                    |