

SYLLABUS

UNIT-I: FINANCIAL MANAGEMENT - AN INTRODUCTION

Meaning and Definition of Financial Management, Goals of Financial Management, Finance Functions, Organisation of finance function, Interface between Finance and other business functions, Financial Planning, Steps in Financial Planning, Factors Affecting Financial Plans, Time Value of Money.

UNIT-II: INVESTMENT DECISIONS

Introduction to Capital Budgeting, Importance of capital Budgeting, Capital Budgeting Process, Techniques of Capital Budgeting - Accounting Rate of Return, Pay Back Period, Net Present Value, Internal Rate of Return and Profitability Index.

UNIT-III: Financing Decisions

Cost of Capital - Cost of Debt, Cost of Preference Shares, Cost of Equity Shares, Cost of Retained Earnings, Weighted Average Cost of Capital; Leverages – Introduction – Types of Leverages – Measurement of Operating Leverage, Financial Leverage and Combined Leverage ; Capital Structure – Introduction, Features of Ideal Capital Structure, Factors affecting Capital Structure, Theories of Capital Structure - Net Income Approach, Net Operating Income Approach, Modigliani and Miller Approach and Traditional Approach

UNIT-IV: Working Capital Management - Introduction – Concepts of Working Capital, Objective of Working Capital Management, Need for Working Capital, Operating Cycle, Determinants of Working Capital, Estimation of Working Capital.

UNIT-V: Dividend Decisions - Introduction, Forms of Dividends, Types of Dividend Policies, determinants of Dividend Policy -Theories of Dividend Policy - Walter Model, Gordon Model, Modigliani and Miller Model – Bonus Shares and Stock Split – Legal, procedural and Tax Aspects of Dividend Policy.