# Subject Details

Subject Name: FUNDAMENTALS OF FINANCE

Subject Code: BSCDS34

Course Credit: 04

Teaching Scheme: TH: 4 Hours/Week

# Prerequisites

Introductory courses in management, basic maths and Basic Data Analysis, Introductory accounting is needed.

# Course Objective

To equip students with a solid understanding of practical financial concepts and decision-making. The course emphasizes real-world applications suited for students from non-financial backgrounds.

# Learning Outcomes

CO1: Interpret and analyze key financial statements to assess performance.

CO2: Apply time value of money concepts including annuities and simple investment decisions.

CO3: Understand and compare basic investment options, banking products, and risk-return tradeoffs.

CO4: Create and analyze budgets for personal or small business scenarios.

## Unit 1: Introduction to Finance & Budgeting (8 Hours)

* Meaning and purpose of finance
* Personal vs. business finance
* Basic budgeting: income, expenses, savings (Household budgeting)
* Simple real-life examples (e.g., budgeting for groceries, school fees)
* “Cashbook vs. Bankbook in small businesses”
* “What is working capital?”
* “Difference between personal and business expenses (basic accounting view)”
* Case study: Planning for an event or school budget

Learning Outcomes:

* Understand finance fundamentals
* Prepare a basic personal budget
* Teaching Strategy: Start with relatable scenarios to build confidence.

## Unit 2: Financial Statements & Their Interpretation (9 Hours)

* What are Balance Sheets & Income Statements, Cash Flow Statement
* Standard personal financial snapshot Structure: Assets = Liabilities + Equity
* Basic terms: revenue/income, expenses, profit, loss
* Introduction to Cash Flow: inflow & outflow
* Horizontal and Vertical Analysis
* Common-size statement basics
* Mini case: comparing financial data across years

Learning Outcomes:

* Read and interpret simple financial statements
* Connect income and expenses to real-life spending
* Teaching Strategy: Use actual personal or small-business examples.

## Unit 3: Financial Ratios & Planning (9 Hours)

* What is ratio analysis?
* Liquidity ratios, debt-to-income ratio , savings vs. monthly expenses
* Profitability ratios: Gross margin, Net margin , basic ROI concept
* Financial planning: setting realistic goals
* Efficiency ratio: Inventory turnover
* Simple interpretation and application using case data

Learning Outcomes:

* Analyze financial health using simple ratios
* Understand saving vs. borrowing decisions
* Teaching Strategy: Hands on class exercises using sample data.

## Unit 4: Time Value of Money (9 Hours)

* Concept: why ₹100 today is worth more than ₹100 tomorrow
* Simple and compound interest
* Present and Future Value (PV/FV) basics
* Annuities and Perpetuities (basic level)
* Everyday applications: savings, loans, small investments
* Case example: comparing SIP vs. lump sum savings
* “Should I invest in a shop or start a cloud kitchen?” (Payback period idea in story form)
* “Evaluating long-term vs. short-term financial choices”

Learning Outcomes:

* Calculate PV/FV using simple formulas or calculators
* Evaluate small savings or loan decisions
* Teaching Strategy: Use mobile calculators; avoid technical formulas.

## Unit 5: Investment & Banking Essentials (8 Hours)

* Saving options: FD, RD, Post Office schemes
* Risk and return trade-offs
* Introduction to banking: types of accounts, interest, cheque vs. digital
* Choosing safe options vs. small-scale investing basics
* Mutual funds: types, NAV, return basics
* CAGR explanation in simple terms
* Credit score: meaning and importance

Learning Outcomes:

* Compare simple saving instruments
* Understand basic banking services
* Teaching Strategy: Compare local options (Post Office, SBI, etc.) for relevance.

## Unit 6: Financial Decision-Making & Review (2 Hours)

* Applying learned concepts in real-life problems
* Simulated exercises: EMI vs. savings, group budgeting
* Group activity: simulate buying on EMI, planning for a small event (like a family function)
* Case study: mobile phone purchase, savings vs. loan

Learning Outcomes:

* Apply financial knowledge in real-world decisions
* Build confidence in financial planning and analysis
* Teaching Strategy: Let students simulate, present, and discuss.

## Extra Unit (Optional) – Microbusiness Finance (Bonus)

* Topics:
* What is profit margin in a food stall?
* Pricing strategy for homemade products
* How to set goals for breaking even
* Digital tools: Using UPI/PhonePe for business tracking