

Course Code	MGP8296B			
Course Category	Specialization Course			
Course Title	Financial Aspects in Operations			
Teaching Scheme and Credits	Lectures	Cases	Assessment	Credits
Weekly load hours	3	1	1	3
Context/Significance/Purpose of the course:				
To understand the Financial Aspects in Operations				
Pre-requisites: -				
Course Outcomes (COs)/Learning Outcomes: On successful completion of this course, the learner will be able to -				
CO 1	Understand the impact of Operations on Finances & vice-versa.			
CO 2	Make meaningful decisions in both operations as well as financial sense.			
CO 3	Apply several financial tools to plan operations.			
Course Objectives:				
1.Knowledge:				
i.	To help the students understand concept, significance and process of financial planning in operations			
ii.	To acquaint the students with financial tools and techniques useful for operations management.			
2.Skills:				
i.	Logical Reasoning			
ii.	Analytical Skills			
3.Attitude:				
i.	To develop right attitude and aptitude to use financial analysis for solving operations problems			

### Course Contents:

1. Cost Management
2. Activity Based Costing
3. Budgeting
4. Capital Budgeting
5. Project Cost Estimate and Risk Analysis

### Learning Resources:

#### Reference Books:

- Financial Management by I.M. Pandey, Vikas Publications, 10th Edition
- Financial Management by M. Y. Khan & P. K. Jain, TMGH, 5th Edition

#### Supplementary Reading:

- Project Management by K. Nagarajan, New Age Publications, 2nd Edition
- **Journals :**
- International Journal of Operations & Production Management:  
<https://www.emeraldgrouppublishing.com/journal/ijopm>
- **Websites :**
- <https://www.icai.org>

#### e)MOOCs:

- <https://www.mooc-list.com/course/banking-and-financial-markets-risk-management-perspective-edx>

### Pedagogy:

- Case based approach for learning applications.
- Conceptual and contextual learning in classroom sessions.
- Activity based participative learning, Assignments and presentations.

### Assessment Scheme:

It is divided into two parts, Internal and External Evaluation

<b>A. Internal Evaluation:</b> This has Class Continuous Assessment (CCA) having four components for 60 marks.		
<b>Class Continuous Assessment (CCA)</b>		
Component	Description	Weight
<b>Case Study Solution</b>	Five Cases shall be conducted	<b>20</b>
<b>Assignment</b>	Each student must make one presentation	<b>15</b>
<b>Surprise test</b>	There will be one surprise test conducted	<b>15</b>
<b>MOOCs/Online Course</b>	Each student must complete one MOOC/online course and submit the certificate of the same	<b>10</b>
<b>Total :Class Continuous Assessment (CCA)</b>		<b>60</b>
<b>B. External evaluation:</b>		
WPU-Term-End Examination	One for each trimester.	<b>40</b>
<b>Total: Internal Evaluation + External Evaluation</b>		<b>100</b>

**Syllabus:**

Module No.	Contents	Workload in Hrs		
		<i>Theor y</i>	<i>Case</i>	<i>Assess</i>
<b>1</b>	<b>Cost Management:</b> 1.1 Cost management tools-life cycle costing, target costing, kaizen costing, 1.2 JIT & theory of constraints, BPR and bench marking. 1.3 Working Capital Management –Concept, Components, Scope, Practical applicability.	<b>7</b>	<b>1</b>	<b>1</b>
<b>2</b>	<b>Activity Based Costing:</b> 2.1 Concept and basic knowledge, applicability, Limitations, Simple Numericals. 2.2 Cost Concepts, behaviour, type, allocation, apportionment and absorption along with nature, applicability and limitations of Job & Process Costing	<b>7</b>	<b>1</b>	<b>1</b>
<b>3</b>	<b>Budgeting:</b> 3.1 Budgeting – nature, administration and effectiveness; budgeting cycle;	<b>7</b>	<b>1</b>	<b>1</b>

Module No.	Contents	Workload in Hrs		
		<i>Theor y</i>	<i>Case</i>	<i>Assess</i>
	3.2 Activity-based budgeting; kaizen approach; ZBB; performance budgeting; human aspects of budgeting			
4	<b>Capital Budgeting :</b> 4.1 The Capital Budgeting Concept & Process - An Overview, Generating Investment Project Proposals, Estimating Project, After Tax Incremental Operating Cash Flows, Capital Budgeting Techniques, 4.2 Project Evaluation and Selection - Alternative Methods, Potential Difficulties 4.3 Project Monitoring – Progress Reviews and Post - Completion Audits, Problem of Project Risk, Total Project Risk, Capital Rationing , Decision Tree	7	1	1
5	<b>Project Cost Estimate and Risk Analysis:</b> 5.1 Cost of project, Components of capital cost of a project, Project Risk Analysis, Project Organization. 5.2 Project Evaluation and Audit: Sources of financing, Role of Financial Institutions in project financing, 5.3 Data required for calculation of NPV, PI, IRR, BCR, NBCR, Project cost overruns and cost control, Phases of post audit, Type of post audit, Project closure.	7	1	1
	<b>Total</b>	<b>35</b>	<b>5</b>	<b>5</b>