

**B.B.A 2<sup>nd</sup> sem**

**2021-2022**

**Subject:-Financial Management**

Total Marks=100

External= 80

Internal= 20

**Unit –I**

<b>Topics</b>	<b>Teaching Points</b>	<b>Specific Objectives</b>	<b>Methods, Approaches and Techniques</b>	<b>Resources &amp; Links</b>
Functions and Goals: What is finance, what are finance function, what does the financial manager do, Financial goals, Profit vs Wealth, How finance functions are organized . Relationship of finance with other business functions. Cost of capital: Concept Components, Weighted average. Cost of capital, Equity share capital, Retained earnings, Cost of equity issuing.	Meaning and scope, objectives and importance of financial management, Approaches to FM. Various components of cost of capital, classification of costs, determination of cost of capital. Meaning and features of various sources of finance, Meaning of SEBI and its various guidelines.	The student will be able to recognize and recall the concept of finance, business and Management The pupils will be able to understand and differentiate b/w profit maximization and wealth maximization. The student will be able to understand the meaning of cost and will able to compute costs of various types capitals. The student will be able to understand the process of issuing	Lecture Method with Question answer session Black/white board presentation Discussion Method Home assignment	Reference Books Financial management, Shashi K Gupta, RK Sharma, Neeti Gupta, Kalyani publishers. Pandey , IM financial management, Vikas publishing house, New Delhi. Khan MY and Jain PK, financial management, Tata McGraw Hill, New Delhi. Chandra Prasanna, financial management, TMH, New Delhi. Internet <a href="http://www.slideshare.com">www.slideshare.com</a> <a href="http://www.wikipedia.com">www.wikipedia.com</a>

		securities. The student will be able to recall the various sources of finance.		
Capital Budgeting Techniques: Pay back period, NPV, IRR, Accounting Rate of return. Working Capital Management: Meaning, Classification, Need, Factors Determining working capital management of working capital, Estimation of Working capital requirements, Functioning of working capital.	Meaning of time value of money, capital expenditures and capital budgeting, importance of concept of time value of money and capital budgeting. Meaning types and importance of working capital management.	The student will enable to understand the of time value of money and capital budgeting in financial decisions. The student will be able to understand the concept of working capital management in financial decision making.	Lecture Cum Discussion Black/white board presentation pptand concept Mapping	Reference Book Financial management, Shashi K Gupta, RK Sharma, Neeti Gupta, Kalyani publishers. Pandey , IM financial management, Vikas publishing house, New Delhi. Khan MY and Jain PK, financial management, Tata McGraw Hill, New Delhi. Chandra Prasanna, financial management, TMH, New Delhi. Internet <a href="http://www.slideshare.com">www.slideshare.com</a> <a href="http://www.wikipedia.com">www.wikipedia.com</a>

### **Evaluation:-**

#### **Long answer type questions:-**

- 1- What do you mean by Financial management? Explain the objectives of Financial Management.
- 2- What is the concept of Time value of Money? Explain its various techniques.
- 3- What are principal methods employed for ascertaining the profitability of a capital expenditure project?
- 4- What is cost of capital? Explain the significance of cost of capital.
- 5- what are the various sources available to Indian businessmen for raising funds? Explain.
- 6- discuss in brief some important pre issue and post- issue obligations imposed by SEBI.

Write short note on:

- 1- Specific cost Vs composite cost.
- 2- What is the need of capital budgeting?
- 3- What is time preference of money?
- 4- Why is wealth maximization is better goal than profit maximization?

## Unit –II

Topics	Teaching Points	Specific Objectives	Methods	Resources & Links
Receivables Management - Meaning, Factors influencing size of receivables, Forecasting, Objectives and Dimensions of receivables management, Forming credit policy, Length of credit and executing credit policy,	Meaning and features of receivable management, factors influencing. Its objectives and dimensions, Credit policy and its execution, collection policy	The student will be able to understand the Meaning and features of receivable management, factors influencing. Its objectives and dimensions, Credit policy and its execution, collection policy	Lecture Method with Question answer session Discussion Method Home assignment Black/white board presentation	Reference Book Financial management, Shashi K Gupta, RK Sharma, Neeti Gupta, Kalyani publishers. Pandey , IM financial management, Vikas publishing house, New Delhi. Khan MY and Jain PK, financial management, Tata McGraw Hill, New Delhi. Chandra Prasanna, financial management, TMH, New Delhi. Internet <a href="http://www.slideshare.com">www.slideshare.com</a> <a href="http://www.wikipedia.com">www.wikipedia.com</a>

<p>Financing investment in receivables, Formulating and executing collection policy.</p>				
<p>Cash Management: Nature of cash, motives of holding cash, Cash planning, Managing cash flows, Methods of accelerating cash inflows, Showing cash outflows, Investment of surplus fund, Inventory Management EOQ. Determination of Level of Safety Stocks. Dividend Policy &amp; Practice: Issues in Dividend Policy,</p>	<p>Meaning of cash management Cash planning, Managing cash flows, Methods of accelerating cash inflows Inventory Management EOQ. Determination of Level of Safety Stocks. meaning of dividend and determination of dividend policy through various approaches.</p>	<p>The student will be able to understand Meaning of cash management Cash planning, Managing cash flows, Methods of accelerating cash inflows Inventory Management EOQ. Determination of Level of Safety Stocks. in financial decision making. The student will be able to recall the various approaches to dividend policy.</p>	<p>Lecture Method with Question answer session Discussion Method Home assignment Black/white board presentation</p>	<p>Reference Book  Financial management, Shashi K Gupta, RK Sharma, Neeti Gupta, Kalyani publishers.  Pandey , IM financial management, Vikas publishing house, New Delhi.  Khan MY and Jain PK, financial management, Tata McGraw Hill, New Delhi.  Chandra Prasanna, financial management, TMH, New Delhi.  Internet  <a href="http://www.slideshare.com">www.slideshare.com</a>  <a href="http://www.wikipedia.com">www.wikipedia.com</a></p>

Dividend theories- Walter's model, Gordon model, M.M. Approach, Factors influencing dividend decision. Forms of Dividend. Bonus issue and right issue.				
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**Evaluation:-**

**Q Long answer type question:-**

- 1- What are objectives and dimensions of receivable management?
- 2- What is credit policy? Explain its execution.
- 3- What is collection policy? Explain its execution.
- 4- What do you mean by cash management? Explain the methods for accelerating cash inflow?
- 5- "A firm should follow a policy of very high dividend payout". Do you agree? Why or why not?

**Write short note on:**

- 1- enlist the factors that influence the dividend policy of firm.
- 2- what is EOQ?
- 3-explain various forms of dividends.

**PROF. CHEASTA**