

CORE COURSE – X : FINANCIAL MANAGEMENT

Objectives :

The purpose of this course is to acquaint the students with the broad framework of financial decision making in a business unit.

Unit I

Aims and Objectives of Financial Management; Financial Analysis and Control; Cost-Volume-Profit Analysis; Operating and Financial Leverage. Overview of Indian Financial System.

Unit II

Time value of Money; Investment and Capital Structure Decisions; Instruments of Long Term Finance; Cost of Different Sources of Raising Capital.

Unit III

Weighted Average Cost of Capital; Optimum Capital Structure; Valuation and Rates of Return; Methods of Capital Budgeting.

Unit IV

Short-term Financing Investments; Management of Working Capital – Cash, Receivables and Inventory Management.

Unit V

Internal Financing and Dividend Policy; Financial Modeling.

Suggested Readings:

1. Archer, Stephen H.etc. Financial Management, New York, John Wiley, 1990.
2. Bhalla, VK Financial Management and Policy, 2nd ed, New Delhi, Anmol, 1998.
3. Brealey, Richard A, and Myers Stewart C. Principles of Corporate Finance, 5th ed., New Delhi, McGraw Hill, 1996.
4. Hampton, John. Financial Decision Making. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1997.
5. Van Horne, James C. Financial Management and Policy. 10th ed., New Delhi, Prentice Hall of India, 1997.
6. Winger, Bernard and Mohan, Nancy. Principles of Financial Management. New York, Macmillan Publishing Company, 1991.