

CC XIII FINANCIAL MANAGEMENT:

Unit 1. Financial management:

Meaning, goals, scope and function. Concept in valuation – compound interest and the time value of money

Unit 2. Investment Decision

Capital budgeting – meaning investment proposal – evaluation of investment proposals- pay back period method, average rate of return – net present value method, Internal rate of return and profitability index. Capital Rationing.

Unit 3. Capital structure decision:

Capitalization, over capitalization, under capitalization – Capital structure theories – cost of capital – measuring specific cost of debt share capital and retained earning-weighted average cost of capital.

Unit 4. Working capital decision:

components of working capital- estimation of working capital needs – Management of cash – management of accounts receivable – management of inventory, trade credit and short – time borrowing.

Unit 5.Dividend decision:

Management of surplus in cooperatives - Tax planning and scope – applicability of various laws to cooperatives – Tax exemption.

REFERENCES:

1. Ernest W.Walker. *Essentials of Financial Management*, New Delhi: Prentice hall of India.
2. Iqbal Mathur. *Introdution to financial management* , New Delhi. Macmillan Publishing India.
3. James.G.Van Horne, *Financial management*, New Delhi: Prentice hall of India.
4. John J.Hampton, *Financial Decision, making concepts, problems and cases*, New delhi, prentice hall of India Private Ltd.
5. Khon. M.Y.Jain P.K.*Finanical Management* :Prentice hall of India, New Delhi.