

B.B.A SEMESTER – III

FINANCIAL MANAGEMENT

COURSE OBJECTIVE

To introduce the participants with the basic fundamentals and tools and techniques of Corporate Financial Management in a changing, challenging and competitive global economic environment.

Unit-I: Financial management: meaning, nature and scope of finance; financial goals: profit maximization, wealth maximization; finance functions,- investment, financing and dividend decisions.

Unit-II: Capital budgeting: nature of investment decisions; investment evaluation criteria- net present value, internal rate of return, profitability index, payback period, accounting rate of return , NPV and IRR comparison; capital rationing; risk analysis in capital budgeting.

Unit-III: Working capital: meaning, significance and types of working capital; determinants of working capital; sources of working capital; management of inventory; management of cash; management of account receivables.

Unit-IV: Capital structure theories: traditional and MM hypotheses; determining capital structure in practice; Capital structure planning. Cost of capital:; meaning and significance of cost of capital; calculation of cost of debt, preference capital, equity capital and retained earnings; Operating and financial leverages.

Unit-V: Dividend decisions—Types of dividend- dividend models - Determinants of dividend policy - Practical aspects of dividend.

SUGGESTED READINGS

- Ilome, James Van Financial Management & Policy
- SolomanEzreThe Theory of Financial Management
- Hunt William and Donaldson Basic Business Finance ,
- Kuchal, S.C. Financial Management
- Bradley Fundamentals of Corporation Finance
- Pandey, I.M. Financial Management
- Fred, Weston J. The Scope & Methodology of Finance
- Weston & Brigham Essentials of Management Finance