

| S. No. | Course Code | Course Name          | Course Type | Cd | L | T | P | Marks     |            |       |
|--------|-------------|----------------------|-------------|----|---|---|---|-----------|------------|-------|
|        |             |                      |             |    |   |   |   | Sessional | Final Exam | Total |
| 5      | MBA-205     | Financial Management | Core        | 4  | 4 | 0 | 0 | 30        | 70         | 100   |

### COURSE OUTCOMES

|   |   |
|---|---|
| At the end of the course the student will be able to: |   |
| CO1   | Understand the financial objectives and functions in managerial decision-making.                      |
| CO2   | Assess the estimation of funds required for long term and short-term investment decisions             |
| CO3   | Examine the corporate restructuring strategies.   |
| CO4   | Comprehend financial leverages and the value of an organization with respect to its capital structure |
| CO5   | Analyze the dividend policy in managing the earnings of an organization.                              |

### Detailed Syllabus

#### UNIT I

**Corporate Financial Objectives and Functions:** Introduction to Corporate Finance, The Objective in Corporate Finance, Profit maximization vs Wealth maximization. EPS maximization, Finance Functions, Financial Planning and Forecasting, Role of Financial Manager, Time value of money - Present value, Future value of money and the basic valuation models.

#### UNIT II

**Corporate Investment Decision:** Capital Budgeting: Nature and concept of Capital Budgeting. Techniques of Capital Budgeting- Traditional and Discounted Cash Flow (DCF). Cost of Capital: Cost of equity, Preference shares, Debt and weighted average cost of capital. Working Capital Management: Concept of Working Capital, Factors affecting working capital requirements, Computation of average working capital requirements.

#### UNIT III

**Corporate Restructuring:** Mergers and Acquisition, Types of Mergers, Evaluation of Merger, Proposal Take-over Amalgamation, Leverage buy-out and Management buy-out.

#### UNIT IV

**Capital Restructure Decisions:** Financial and Operating Leverage, Capital Structure- Determinants of capital structure. Cost of Capital & Valuation Approach, and Cash Flow Approach. Capital Structure Theories- Net Income Approach, Net Operating Income Approach & Modigliani-Miller Hypothesis.

#### UNIT V

**Dividend Policy** Types of Dividend, Dividend Payment-Retention decision, Factors influencing dividend decision, Dividend Theories- Dividend Theories of Relevance- Walters Model, &Gordon's Model, Dividend Theories of Irrelevance-Modigliani-Miller Hypothesis. Financial Modeling-Concept, Scope and Limitations

#### Text Books

| S.No | Name of the Books                                   | Name of Author            | Publisher Name   | Edition (Pub. Yr.)     |
|------|---|---------------------------|--|------------------------|
| 1    | Financial Management                                | Pandey I.M (2015)         | Vikas Publishing House Pvt. Ltd. New Delhi             | 4 <sup>th</sup> (2015) |
| 2    | Financial Management-Text, Problems and Case (2019) | Khan M. Y. and Jain P. K. | McGraw Hill Education (India) Private Limited, Chennai | 8 <sup>th</sup> (2019) |

#### Reference Books

| S. No | Name of the Suggested Books                   | Name of Author        | Publisher Name                                | Edition (Pub. Yr.)     |
|-------|---|-----------------------|---|------------------------|
| 1     | Financial Management – Theory and Practice    | Chandra Prasanna 2019 | McGraw Hill Education (India) Private Limited | 6 <sup>th</sup> (2019) |
| 2     | Financial Management- A Contemporary Approach | Rajesh Kothari (2017) | Sage Publications India Pvt Ltd, New Delhi    | 7 <sup>th</sup> (2017) |