



Kot Bhalwal, Jammu



Model Institute of Engineering  
& Technology (Autonomous)  
Course Handout

## COURSE HANDOUT

FINANCIAL MANAGEMENT BCMMJ-301

B.COM (H) – 3<sup>rd</sup> SEMESTER

ACADEMIC YEAR: 2023-2024

**Dr. Mamta Sharma**

Assistant Professor

UG-School of Management



UG-School of Management

Model Institute of Engineering and Technology (Autonomous)

Kot Bhalwal, Jammu-181122

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Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



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S. No.	Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
								Sessional	Final Exam	Total
1	BCMMJ-301	Financial Management	Core	4	5	0	0	40	60	100

### Course Outcomes:

At the end of the course the student will be able to:	
CO1	Understand the financial objectives and functions of managerial decision making.
CO2	Assess the estimation of funds.
CO3	Comprehend financial leverages and the value of an organization with respect to its capital structure.
CO4	Appraise the dividend policy decisions and the issues associated with such decisions.
CO5	Evaluate the recent trends and developments in the financial Industry.

### Detailed Syllabus

#### Section A

**Unit-I: Introduction to Financial Management:** Nature and Scope; Evolution of Finance Function; Objectives of Financial Management - Profit vs Wealth Maximization; Role of Finance Manager; Financial decisions- An overview. **(10 Hrs)**

**Unit-II: Investment Decisions:** Concept of Time Value of Money; concept and nature of Capital Budgeting; Techniques of capital budgeting – Traditional and Discounted Cash flow (DCF) methods- Payback period, Accounting Rate of return, Net present value, Internal rate of return, Profitability Index; risk- return trade off. **(10 Hrs)**

**Unit-III: Financing Decisions:** Concept and factors influencing capital structure decisions; Theories of Capital Structure- Net Income Approach and Net Operating Income Approach; Working Capital Management- Components of Working capital; Determinants of Working capital; Financing working capital needs. **(10 Hrs)**

#### Section B

**Unit IV: Dividend Decisions:** Meaning and Objectives of Dividend Policy; Forms of Dividends; Theories of relevance and irrelevance of dividend decision; Dividend policies in practice; Issues in structuring dividend. **(09 Hrs)**

**Unit-V: Recent Trends in Financial Management:** Financial Modelling- Concept, importance and limitations; Corporate Restructuring Strategies; Recent changes in new sources of finance- Microfinance and Microcredit. **(09 Hrs)**

#### Text Books

S.No.	Name of the Books	Author	Publisher	Edition
1	Financial Management-Theory and Practice	I.M. Pandey	Pearson India Education Pvt Ltd, New Delhi.	12 <sup>th</sup> (2021)
2	Financial Management-Text, Problems and Case	Khan M.Y. and Jain P.K.	McGraw Hill Education, Private limited, Chennai	8th (2018)

#### Reference Books

S.No.	Name of the Books	Author	Publisher	Edition
3	Fundamentals of Financial Management	Dr. Eugene F. Brigham and Joel F. Houston	Cengage Learning India Pvt Ltd, New Delhi	14th (2021)

COURSE PLAN		
S. No.	Content	Recommended Books
<b>Unit- 1 Introduction</b>		
1	Introduction to Financial Management	Book 1, Ch.1
2	Nature and Scope of Financial Management	Book 1, Ch.1
3	Evolution of Finance Function- Traditional and modern Approach	Book 1, Ch.1
4	Objectives of Financial Management;	Book 1, Ch.1
5	Profit vs Wealth Maximization	Book 1, Ch.1
6	Role of Finance Manager;	Book 1, Ch.1
7	Financial decisions- An Overview	
<b>Unit-2 Goodwill</b>		
8	Concept of Time Value of Money	Book 1, Ch.2
9	Concept and nature of Capital Budgeting;	Book 1, Ch.8
10	Techniques of capital budgeting – Traditional Techniques Payback period, Accounting Rate of return.	Book 1, Ch.8
11	Techniques of capital budgeting - Traditional and Discounted Cash flow (DCF) methods- Net present value, Internal rate of return, Profitability Index	Book 1, Ch.8
12	Risk- Return trade off.	Book 1, Ch.4
<b>Unit-3 Financial statement of companies</b>		
13	Concept of capital structure and financial structure	Book 1, Ch.15
14	Factors influencing capital structure decisions	Book 1, Ch.15
15	Theories of Capital Structure- Net Income Approach and Net Operating Income Approach;	Book 1, Ch.15
16	Concept of Working Capital Management and its components	Book 1, Ch.27
17	Determinants of Working capital	Book 1, Ch.27
18	Financing working capital needs.	Book 1, Ch.31
<b>Unit-4 Accounting holding/parent company</b>		
19	Meaning and Objectives of Dividend Policy.	Book 1, Ch.18
20	Forms of Dividends.	Book 1, Ch.18
21	Theories of relevance and irrelevance of dividend decision	Book 1, Ch.17
22	Dividend policies in practice	Book 1, Ch.18



23	Issues in structuring dividend	
<b>Unit-5 Accounts of Banking Companies</b>		
24	Financial Modelling- Concept, importance and limitations.	Book 1, Ch.26
25	Corporate Restructuring Strategies	Book 1, Ch.32
26	Recent changes in new sources of finance- Microcredit and microfinance	<a href="https://www.bbau.ac.in/dept/RM/TM/Management%20of%20Microfinance%20Website%20copy.pdf">https://www.bbau.ac.in/dept/RM/TM/Management%20of%20Microfinance%20Website%20copy.pdf</a>

### ADDITIONAL WEB RESOURCES

1	Online Resource 1. <a href="https://onlinecourses.swayam2.ac.in/imb24_mg118/preview">https://onlinecourses.swayam2.ac.in/imb24_mg118/preview</a> 2. <a href="https://onlinecourses.nptel.ac.in/noc24_mg132/preview?user_email=mamta.bcom@mietjammu.in">https://onlinecourses.nptel.ac.in/noc24_mg132/preview?user_email=mamta.bcom@mietjammu.in</a>
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### GRADING AND ASSESSMENT

- **Sessional Test:** 20 marks
- **Assignment:** 10 Marks
- **Attendance:** 10 Marks
- **Final Examination:** 60 Marks

### COURSE POLICIES

- **Attendance:** Minimum 75% of attendance is mandatory to appear in the final examination of the course.
- **Academic Integrity:** MIET's academic integrity policies apply. Plagiarism will not be tolerated.
- **Late Submission:** Assignments and projects must be submitted by the specified timeline.

### FACULTY INFORMATION

- **Office Hours**  
Monday (2:35PM-3:35PM)  
Friday (2:35PM-3:35PM)
- **Contact Information**

[mamta.bcom@mietjammu.in](mailto:mamta.bcom@mietjammu.in)

