

B. Com IV Semester Syllabus implemented from academic year 2016-17

B. Com IV Semester

4.1 FINANCIAL MANGEMENT

Lecture per Week: 4 hours

Max Marks: 80 (End Sem.) + 20 (IA) = 100

Exam Duration: 3 Hours

OBJECTIVES: To enrich the students' knowledge on importance of Finance in business.

Units	Topics	No of periods
I	INTRODUCTION: Basics of Finance- Financial Management- Meaning-Definitions- Functions-Objectives- viz. Profit maximization and Wealth maximization- Calculation of NPV i.e. application of Discounting Technique & other objectives-Finance decisions (four)-Factors influencing financial decisions (Internal & External) - Responsibilities of finance manager towards various stakeholders.	10
II	CAPITALIZATION: Meaning and Definition- Theories (Cost and Earnings)- Causes- Effects- Remedies of Over-capitalization and Under-capitalization- Fair Capitalization-Features- Determination of capitalization status (Problems based on BV and RV)	10
III	CAPITAL STRUCTURE AND LEVERAGE: Capital Structure- Meaning and Definition- Determination of capital mix based on EPS- Point of Indifference (only Debt and Equity mix) Leverage- Meaning- Computation of three types of leverages.	10
IV	COST OF CAPITAL: Cost of Capital- Meaning- Computation of specific costs i.e. Cost of debt, Cost of Preferred Stock, Cost of Equity, and Cost of Retained Earnings and Weighted Average Cost of Capital (WACC).	10
V	WORKING CAPITAL: Working Capital- Meaning- Factors- Types- Estimation of working capital on basis of Current Assets and Current Liabilities.	10

SKILL DEVELOPMENT:

1. Calculations on superiority of wealth maximization.
2. Activities regarding determination of Capitalization Status of business firm.
3. Activities on raising of funds based on cost of capital.
4. Preparation of chart showing the working capital requirement of firm .

SUGGESTED REFERENCE:

1. Principles of Financial Management: S.K. Gupta, R.K Sharma & Neeti Gupta, Kalyani publications New Delhi.
2. Principles of Financial Management: Maheshwari S.N, S.Chand & Sons, New Delhi.
3. Financial Management : Khan and Jain , TMH New Delhi
4. Financial Management: Reddy and Appannaiahya, Himalaya Publications, Mumbai.
5. Financial Management: Kulkarni & Satyaprasad, Himalaya Publications, Mumbai.
6. Financial Management: Dr.R. M. Patil & Prof. Jalawadi
7. Financial Management: Dr R V Diwan and Dr R G Allagi
8. Financial Management: Dr.G.B.Baligar, Ashok Prakashan, Hubli.
9. Financial Management by R M Patil & Jalanadi