

Syllabus for – Semester II

Subject: Financial Management

Unit 1 : Overview of Finance Function

Finance Function - Nature, Scope & Goal, Significance.

Agency Cost Theory & Role of Modern Finance Manager.

Unit 2: Financial System

Financial System – Meaning & Significance

Financial Assets , & Financial Markets, S. E. B. I., Stock Exchange.

Unit 3 : Financial Analysis

Various tools of Financial Analysis - Comparative Statements , Common Size Statement, Trend Analysis, Ratio Analysis & Cash Flow Analysis.

Unit 4 : Valuation

Valuation Concepts – Time Value of Money, Future Value , Present Value, Annuity concept & Business Applications of Time Value of Money concept.

Valuation of Financial Assets

Unit 5 : Risk & Return

Risk , Types of Risk, Measurement of Risk including Beta Based on C.A.P.M. Model , Measurement of Returns

Unit 6 : Long Term Sources of Finance

Different Sources of Finance–Equity Share Capital, Preference Share Capital, Debentures, Term Loans, Lease Finance, Hire Purchase & Venture Capital.

Unit 7 : Cost Of Capital

Cost of Capital – Meaning & Significance, Methods Of Calculating cost of Equity Shares, Preference Shares, Debenture, Long Term Loans & Weighted Average Cost of Capital.

Unit 8 : Capital Structure

Capital Structure – Meaning & Significance

Factors of Optimum Capital Structure

Unit 9 : Leverage Analysis

Leverage Analysis – Meaning , Types, Effect,

Unit 10 : Working Capital Management

Working Capital – Meaning , Significance.

Factors - of Working Capital, Working Capital Cycle, Estimation Controlling & Sources of Working Capital.

Unit 11: Capital Budgeting

Capital Budgeting – Meaning & Significance

Steps in Capital Budgeting Process, Cash Flows in Capital Budgeting , Evaluation of Capital Expenditure Proposals.