

B.COM. (HONS.): SEMESTER - IV	CORE – 12: BCH520C2: FUNDAMENTALS OF FINANCIAL MANAGEMENT
CREDITS: THEORY: 4; TUTORIAL: 2	MARKS: THEORY: 60; TUTORIAL: 30
	TOTAL MARKS: 90

FUNDAMENTALS OF FINANCIAL MANAGEMENT

Objective: *To familiarize the students with the principles and practices of financial management.*

CONTENTS (THEORY):

Unit - 1

(Marks: 15)

Introduction

Nature, scope and objective of Financial Management, Time value of money, Concept of Present Value and Future Value (Lump sum and Annuity); Risk and Return Analysis: Computation of Beta and Standard Deviation (Individual Securities)

Unit - 2

(Marks: 15)

Capital Budgeting

The Capital Budgeting Process, Techniques: Payback Period Method, Accounting Rate of Return, Net Present Value (NPV), Net Terminal Value, Internal Rate of Return (IRR), Profitability Index

Unit - 3

(Marks: 15)

Cost of Capital

Cost of Capital and Financing Decision: Sources of long-term financing Estimation of Cost of Capital. Methods for Calculating cost of equity capital, Cost of Retained Earnings, Cost of Debt and Cost of Preference Capital, Weighted Average cost of capital (WACC); Capital Structure: Concept and Determinants of Capital Structure.

Unit - 4

(Marks: 15)

Dividend and Working Capital Decisions

Concept of Dividend: Determinants and Types

Concepts of Working Capital, Factors affecting Working Capital requirements

TUTORIAL Unit – 5 and Unit – 6

(Marks: 30)

Concerned Teacher to identify any particular stock of a company and show practical demonstration of risk-return analysis. Based on the practical demonstration by the concerned teacher, each students shall submit an assignment and make presentation thereof.

Suggested Readings:

1. James C. Van Horne and Sanjay Dhamija, *Financial Management and Policy*, Pearson Education.
2. Levy H. and M. Sarnat . *Principles of Financial Management*. Pearson Education
3. Brigham and Houston, *Fundamentals of Financial Management*, Cengage Learning
4. Khan and Jain. *Basic Financial Management*, McGraw Hill Education.
5. Prasanna Chandra, *Fundamentals of Financial Management*. McGraw Hill Education.
6. Singh, J.K. *Financial Management- text and Problems*. Dhanpat Rai and Company, Delhi.
7. Rustagi, R.P. *Fundamentals of Financial Management*. Taxmann Publication Pvt. Ltd.
8. Singh, Surender and Kaur, Rajeev. *Fundamentals of Financial Management*. Mayur Paperback, New Delhi.
9. Pandey, I.M. *Financial Management*. Vikas Publications.
10. Bhabatosh Banerjee, *Fundamentals of Financial Management*, PHI Learning