

Syllabus Outline

1. GENERAL

This course helps to develop this understanding so as to enable the participants to make optimal utilization of firms' financial resources. Besides, the success of a firm depends crucially, among others, on its ability to adapt to the changing external environment. This aspect is the other major implicit philosophy of the course. Application of the tools and techniques using empirical data would be a frequent practice during the course. As such, almost every decision of the firm, even if related to marketing activities or HR related activities, has financial implications, some in the immediate future and some in the long run. The best of the technologies, marketing strategies and HR interventions may fail if the finances of the firm are not managed efficiently in relation to all its activities.

1.1 COURSE TITLE: **FINANCIAL MANAGEMENT**

1.2 COURSE NUMBER: **MT5306**

1.3 CONTACT HRS: (30 Hours- teaching 10 hours- Project) Credits: 08

1.4 SEMESTER -OFFERED: Even Semester January-May

1.5 PREREQUISITE: Basic understanding of Finance

1.6 SYLLABUS COMMITTEE MEMBER:

Dr. Sanjay Kumar Kar & Dr. Saroj Kumar Mishra

2. OBJECTIVE

- The basic objective of a firm is to select most profitable investment projects, finance such projects in the most efficient manner, and thus create value for its owners. As such, almost every decision of the firm, even if related to marketing activities or HR related activities, has financial implications, some in the immediate future and some in the long run.
- The best of the technologies, marketing strategies and HR interventions may fail if the finances of the firm are not managed efficiently in relation to all its activities.
- This course helps to develop this understanding so as to enable the participants to make optimal utilization of firms' financial resources. Besides, the success of a firm depends crucially, among others, on its ability to adapt to the changing external environment.
- This aspect is the other major implicit philosophy of the course. Application of the tools and techniques using empirical data would be a frequent practice during the course. Major emphasis is laid on applications of excel spreadsheet modeling in financial decision making.

3. COURSE CONTENT (Unit wise distribution of content and number of lectures)

Unit I (06 hours)

- Financial Environment
- Financial Management: An Introduction
- Financial Performance Analysis
- Time Value of Money

Unit II (08 hours)

- Risk and Return Concept
- Portfolio optimization and CAPM
- Cost of Capital
- Theories of capital structure

Unit III (06 hours)

- Valuation of Bonds
- Valuation of Stocks
- Dividend policies
- Modigliani & Miller Hypothesis

Unit IV (04 hours)

- Working Capital Management Financing
- Cash Management
- Long term Capital Budgeting Decision
- Project finance

Unit V (06 hours)

- Introduction to Derivatives
- Forward contracts, Futures and Options
- Black-Sholes option pricing
- Call-Put parity and formulation

4. READINGS

4.1 TEXT BOOKS:

Khan & Jain, Financial Management Text Problems and Cases 8th Edition, TMH

4.2. Reference Books:

1. Srivastava R, Misra A, Financial Management, Oxford Publications, 2008.
2. Pandey, I.M. Financial Management Tenth Edition Vikas Publication.
3. Eugene Brigham “Financial Management Cengage Publication.
4. Brealey Richard A, Myers Stewart C, Allen Franklin, Mohanty Pitabas, Principles of Corporate Finance, 8th edition, The McGrawhill Companies, 2007
5. Brigham and Erdhardt, Financial Management: Text and cases, India Edition, Cengage Learning.
6. Levy, H & Sarnat M: Capital Investment and Financial Decisions, Prentice Hall.

5. Course Outcomes:

On the completion of this course the participants are expected to:

1. Become financially literate, major emphasis is laid on applications of excel spreadsheet modeling in financial decision making.
2. Be able to analyse investment opportunities for better decision making
3. Do equity and financial analysts