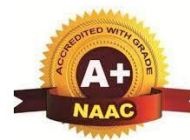




RASHTREEYA SIKSHANA SAMITHI TRUST
R V INSTITUTE OF MANAGEMENT
CA 17, 26 Main, 36th Cross, 4th T Block, Jayanagar
Bengaluru, Karnataka 560 041



COURSE DESIGN, DELIVERY AND ASSESSMENT

Semester: II

Course Code: 21MBA321

Course Name: Financial Management

Course Faculty: Dr. Sumera, Prof. Pooja R Takalkar

Section	Course Faculty Name	Signature
A	Dr. Sumera	
B & C	Prof. Pooja R Takalkar	

Dr. Purushottam Bung
Director, RVIM, Bangalore
(Signature & Date)

COURSE DESIGN, DELIVERY AND ASSESSMENT

Course Code and Title: 21MBA321 Financial Management	Course Credits : 4
Internal Assessment Marks : 50 Marks	SEE : 50 Marks
Total No of Theory / Lab Hours : 48 sessions	
Prepared by : Dr. Sumera., Prof. Pooja R Takalkar	Date :
Reviewed by : Dr. Purushottam Bung	Date :

Prerequisite of the courses
<ul style="list-style-type: none"> • Basic knowledge of Company's Annual Report
<ul style="list-style-type: none"> • Basic MS Excel
<ul style="list-style-type: none"> • Basic Accounting Knowledge

COURSE OUTCOMES (CO):

At the successful completion of this course the students should be able to;

CO1	Apply the time value of money concepts for better financial decisions.
CO2	Examine appropriate cost of capital for a business/project.
CO3	Assess the different capital budgeting techniques for decision making.
CO4	Compare different capital structure theories and apply dividend policies for a business.
CO5	Evaluate the working capital effectiveness of a firm

PEDAGOGY

- a. JIGSAW Method
- b. Classroom Discussion -Active Cooperative Learning
- c. Financial modelling using Spreadsheet- Time value of Money, Investment Decisions
- d. Application based teaching (Time value of Money Mobile Applications)
- e. Project Based teaching- Listed companies for Cost of capital
- f. Industry Interaction with the Practitioner

SYLLABUS
21MBA321: FINANCIAL MANAGEMENT

Introduction:

“Beware of little expenses. A small leak will sink a great ship”- By Benjamin Franklin.

Financial management is a crucial discipline that encompasses the effective management of financial resources to achieve organizational goals. It involves making strategic financial decisions, managing risks, and ensuring the organization's financial health. The subject helps the students to understand the basics concepts of financial management such as Time value of money, cost of capital, Capital Budgeting, Working capital and so on. This course aims at equipping a potential manager with the tools and techniques that help make financial decisions of the business and thereby lead to achieving the goal of business – ‘wealth maximization.

Course Outcomes (COs):

After completion of this course, students will be able to;

CO1: Apply the time value of money concepts for better financial decisions.

CO2: Examine appropriate cost of capital for a business/project.

CO3: Assess the different capital budgeting techniques for decision making.

CO4: Compare different capital structure theories and apply dividend policies for a business.

CO5: Evaluate the working capital effectiveness of a firm

Course content and Structure: (48 hours)

Module 1: Introduction to Financial Management & Time Value of Money (10 Hours) - Introduction: Nature and scope of financial management, Goals of financial management and Role and responsibilities of financial managers - Time value of money, Future Values - Compounding Process, Present Values - Discounting Process, Single Cash Flow, Annuity, Perpetuity, Uneven Cash Flows, Multi Periods in Compounding and Discounting, Loan Amortisation, Nominal v/s Effective Annual Rates.

Module 2: Cost of Capital (10 Hours)

- Cost of Capital: Cost of Debt, Post-Tax Cost of Debt, Cost of Equity: DDM (Dividend Discount Model), CAPM (Capital Assets Pricing Model) and Weighted Average Cost of Capital (WACC).

Module 3: Investment Decision (14 Hours)

- Estimation of Project Cash flows: Initial Cash flow & Subsequent Cash flow - Evaluation of Investment Decisions: Traditional and Modern Methods: Payback Period, Average Rate of Return, Net Present Value NPV, Internal Rate of Return, Modified Internal Rate of Return and Discounted Payback Period.

Module 4: Capital Structure, Leverage and Dividend Policy (6 Hours)

- Introduction, Planning the Capital Structure, Factors Affecting Capital Structure Decisions. Capital structure theories (Modigliani-miller theorem, trade-off theory, pecking order theory) (only theory) - Dividend Policies: Dividend policy in Practice Dividend theories – relevance and irrelevance: Walter, Gordon and Modigliani-Miller Hypothesis (including problems). Financial metrics using leverage and its impact on financial risk and returns.

Module 5: Working Capital Management (8 Hours) - Estimation of Working Capital: Current Assets and Current Liabilities, Concept of Working Capital Management, Operating Cycle, Cash Cycle, Cost of Trade Credit. (Problems on Estimation of Working Capital)

Teaching Learning Resources:

Essential Readings

1. Prasanna Chandra, “Financial Management”, McGraw Hill Education
2. Brigham and Houston (2015), Fundamentals of Financial Management, Cengage (15th edition)
3. Brealey, R. A. (2007). Principles of Corporate Finance, Tata McGraw-Hill Education
4. Van, Horne James, C. (2002), Financial Management & Policy, Pearson Education India, (12th edition)

References

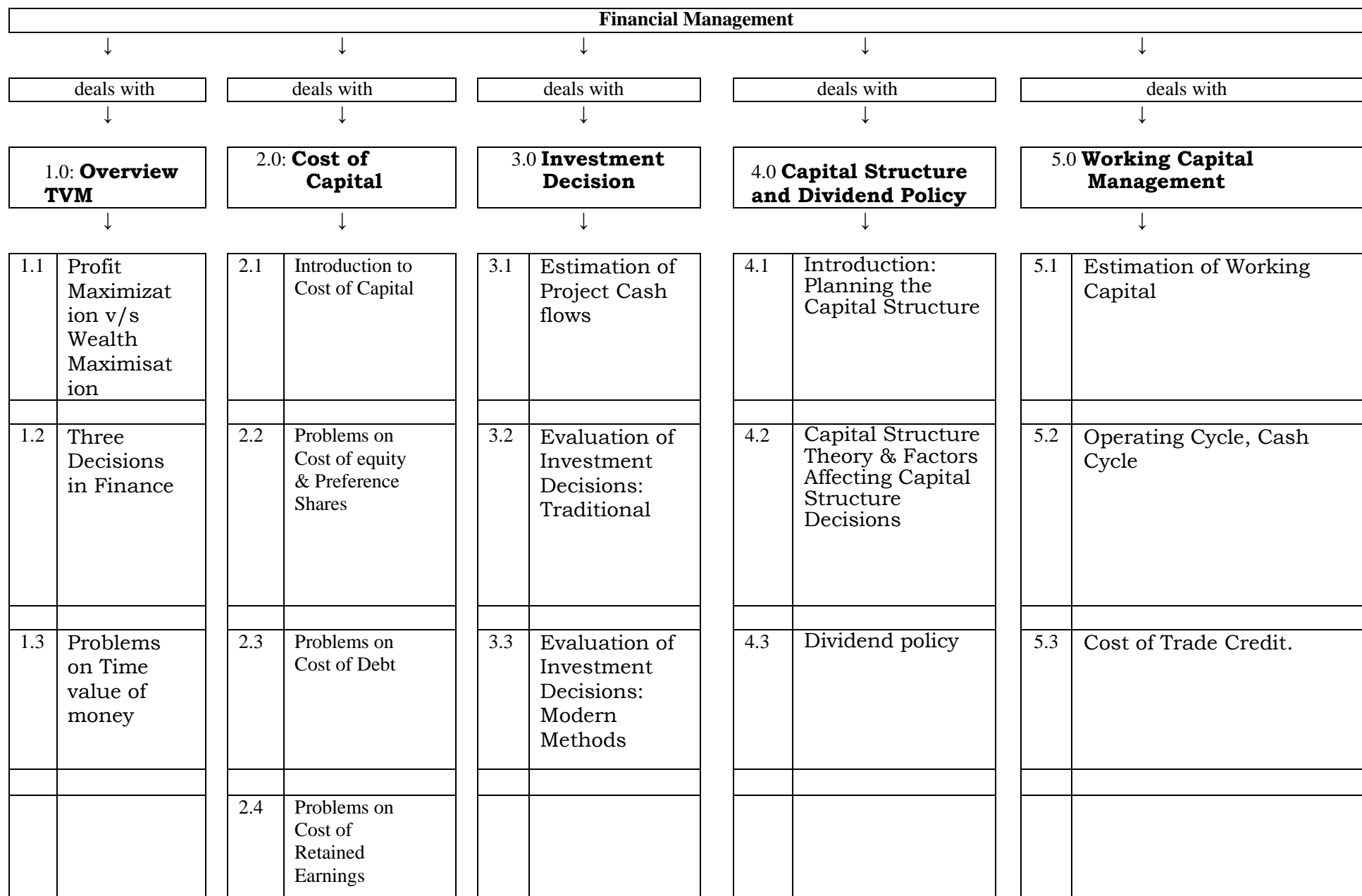
1. Bahal, Mohit, “Practical Aspects of Financial Management”, Suchita Prakashan
2. Sharma, Dhiraj, “Working Capital Management – A conceptual Approach”, Himalaya Publishing House
3. Bhalla, V.K., “Financial Markets and Institutions”, S. Chand and Co
4. Hampton, John, “Financial Decision Making – Concepts, Problems and Cases”, Prentice Hall of India
5. Khan, M.Y; “Indian Financial System”, The McGraw Hill Companies

Supplementary Resources

- MOOC on Financial Management – Illinois University (Coursera)

- <https://jgateplus.com/home/>
- <https://capitaline.com/>
- <http://web.b.ebscohost.com/ehost/search/basic?vid=1&sid=c8b5124d-307d-4f0a-843e-3b13e9156a4a%40pdc-v-sessmgr06>
- <https://elibrary.in.pearson.com/login>

CONCEPT MAP



Course Contents and Session Plan

Part B **Session Plan**

#	Coverage of Key Components	Pedagogy/ Activity	Reading Material to be referred	BT
Module 1				
1	Introduction: Objectives of Financial Management, Profit Maximization v/s Wealth Maximization and Three Decisions in Finance.	a. Lectures b. Classroom Discussion c. Case Study	Chapter 1 of Book 1 Chapter 1 of Book 2 PPT - Module 1	L1
2	Basic Concepts of Time value of money, Future Values - Compounding Process, Present Values - Discounting Process, Single Cash Flow, Annuity,	a. Lectures b. Classroom Discussion	Chapter 6 of Book 1 Chapter 2 of Book 2 PPT - Module 1a	L3
3	Perpetuity, Uneven Cash Flows. Multi-Periods in Compounding and Discounting, Loan Amortization, Nominal v/s Effective Annual Rates	a. Lectures b. Classroom Discussion	Chapter 6 of Book 1 Chapter 2 of Book 2 PPT - Module 1a The time value of money Calculating the Real Value of your investment Finance for Managers - Harvard Business school press	L3
4	Additional Problems on Time Value of Money	a. Lectures b. Classroom discussion c. Problems	Chapter 6 of Book 1 Chapter 2 of Book 2 PPT - Module 1a	L3
5	Additional Problems on Time value of Money	a. Lectures b. Problems	Chapter 6 of Book 1 Chapter 2 of Book 2 PPT - Module 1a	L3
6	Additional Problems on Time Value of Money	d. Lectures e. Classroom discussion f. Problems	Chapter 6 of Book 1 Chapter 2 of Book 2 PPT - Module 1a	L3
7	Additional Problems on Time value of Money	c. Lectures d. Problems	Chapter 6 of Book 1 Chapter 2 of Book 2 PPT - Module 1a	L3
8	Excel Modules	a. Lab		L4
9	Excel Modules	a. Lab		L4
10	Unit End Assignment / Unit Test			

11	Cost of Capital: Cost of Debt, Post-Tax Cost of Debt	a. Lectures b. Classroom discussion c. Problems	Chapter 18 of Book 3 Chapter 14 of Book 1 Chapter 9 of Book 2 PPT - Module 2	L3
12	Cost of Equity: DDM (Dividend Discount Model)	a. Lectures b. Classroom discussion c. Problems	Chapter 18 of Book 3 Chapter 14 of Book 1 Chapter 9 of Book 2 PPT - Module 2 Note on Theory of Optimal Capital Structure	L3
13	CAPM(Capital Assets Pricing Model)	a. Lectures b. Classroom discussion c. Problems	Chapter 18 of Book 3 Chapter 14 of Book 1 Chapter 9 of Book 2 PPT - Module 2 Note on Theory of Optimal Capital Structure	L3
14	Weighted Average Cost of Capital(WACC)	a. Lectures b. Classroom discussion c. Problems	Chapter 13 & 19 of Book 3 PPT _ Module 2	L3
15	Additional Problems on Cost of Capital	a. Lectures b. Classroom discussion c. Problems	Chapter 13 & 19 of Book 3 PPT _ Module 2	L3
16	CAPM(Capital Assets Pricing Model)	d. Lectures e. Classroom discussion f. Problems	Chapter 18 of Book 3 Chapter 14 of Book 1 Chapter 9 of Book 2 PPT - Module 2 Note on Theory of Optimal Capital Structure	L3
17	Weighted Average Cost of Capital(WACC)	d. Lectures e. Classroom discussion f. Problems	Chapter 13 & 19 of Book 3 PPT _ Module 2	L3
18	Additional Problems on Cost of Capital	d. Lectures e. Classroom discussion f. Problems	Chapter 13 & 19 of Book 3 PPT _ Module 2	L3
19	CAPM(Capital Assets Pricing Model)	g. Lectures h. Classroom discussion i. Problems	Chapter 18 of Book 3 Chapter 14 of Book 1 Chapter 9 of Book 2 PPT - Module 2 Note on Theory of Optimal Capital Structure	L3
20	Unit End Assignment / Unit Test	a. Lectures		

		<ul style="list-style-type: none"> b. Classroom discussion c. Problems 		
21	Estimation of Project Cash Flows: Initial Cash flow & Subsequent Cash flow	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L2
22	Evaluation of Investment Decisions: Traditional and Modern Methods: Payback Period	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 12 of Book 1 Chapter 10 of Book 2 PPT Module 3	L3
23	Accounting Rate of Return - Concept Equation and problems	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
24	Net Present Value NPV	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
25	Internal Rate of Return, Modified Internal Rate of Return	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
26	Discounted Payback Period	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
27	Additional Problems on Investment Decision	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
28	Additional Problems on Investment Decision	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion c. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
29	Additional Problems on Investment Decision	<ul style="list-style-type: none"> d. Lectures e. Classroom discussion f. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
30	Additional Problems on Investment Decision	<ul style="list-style-type: none"> d. Lectures e. Classroom discussion f. Problems 	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
31	Excel Modules	<ul style="list-style-type: none"> a. Lectures b. Classroom discussion 		L3

		c. Problems		
32	Additional Problems on Investment Decision	g. Lectures h. Classroom discussion i. Problems	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
33	Additional Problems on Investment Decision	j. Lectures k. Classroom discussion l. Problems	Chapter 11 of Book 1 Chapter 8 of Book 2 PPT Module 3	L3
34	Unit Test	a. Lectures b. Classroom discussion c. Problems		
35	Introduction, Planning the Capital Structure, Capital Structure Theory (in brief), Factors Affecting Capital Structure Decisions.	a. Lectures b. Classroom discussion c. Problems	Chapter 17 of Book 1 Chapter 14 of Book 3 PPT - Module 4	L2
36	Dividend Policies: Dividend policy in Practice Dividend theories – relevance and irrelevance: Walter models - problems	a. Lectures b. Classroom discussion c. Problems	Chapter 22 of Book 1 Chapter 18 of Book 2 PPT Module 3	L2
37	Gordon - Problems	a. Lectures b. Classroom discussion c. Problems	Chapter 22 of Book 1 Chapter 18 of Book 2 PPT Module 3	L3
38	Modigliani-Miller Hypothesis - Problems	a. Lectures b. Classroom discussion c. Problems	Chapter 22 of Book 1 Chapter 17 & 18 of Book 2 PPT Module 3	L3
39	Excel Modules	a. Lectures b. Classroom discussion c. Problems		L3
40	Unit Test	a. Lectures b. Classroom discussion c. Problems		
41	Estimation of Working Capital: Current Assets and Current Liabilities, Concept of Working Capital Management, Operating Cycle, Cash Cycle, Cost of Trade Credit.	a. Lectures b. Classroom discussion c. Problems	Chapter 23 of Book 1 Chapter 27 of Book 2 PPT Module 5	L2
42	Problems on Estimation of Working Capital	a. Lectures b. Classroom discussion	Chapter 23 of Book 1 Chapter 27 of Book 2 PPT Module 5	L3

		c. Problems		
43	Problems on Estimation of Working Capital	a. Lectures b. Classroom discussion c. Problems	Chapter 23 of Book 1 Chapter 27 of Book 2 PPT Module 5	L3
44	Problems on Estimation of Working Capital	a. Lectures b. Classroom discussion c. Problems	Chapter 23 of Book 1 Chapter 27 of Book 2 PPT Module 5	L3
45	Excel Modules	a. Lectures b. Classroom discussion c. Problems		L3
46	Excel Modules	d. Lectures e. Classroom discussion f. Problems		L3
47	Excel Modules	g. Lectures h. Classroom discussion i. Problems		L3
48	Unit Test	a. Lectures b. Classroom discussion c. Problems		

Text Books to be referred:

1. Chandra Prasanna, "Financial Management - Theory and Practice", Tata McGraw - Hill Publishing Company Ltd
2. Pandey I M, "Financial Management - Theory and Practice" Vikas Publications
3. Shashi K Gupta, Neeti Gupta, Financial Management, Kalyani Publishers

RBT: L1 – Remembering; L2 – Understanding; L3 – Applying; L4 – Analysing; L5 – Evaluating; L6 – Creating.

**Remarks: This column includes space for noting reasons for deviations in date of class conduction and HOI's sign*