

GUJARAT TECHNOLOGICAL UNIVERSITY

MAM (MASTERS IN APPLIED MANAGEMENT) DUAL DEGREE PROGRAMME

Year – III (Semester – V) (W.E.F. JULY 2014)

Subject Name: Financial Management

Subject Code: 4150502

- 1. Course Objective:** To provide the conceptual as well as practical framework and skills that financial managers need to cope with an increasingly complex and global financial environment.
- 2. Course Duration:** 45 Sessions
- 3. Course Contents:**

Module No:	Module Content	No. of Sessions	Marks (External Evaluation)
I	Finance function – Scope and Significance – Role of a finance executive – Various Forms of Business Organizations	05	07
	Analysis and interpretation of Financial Statements using the techniques of Ratio Analysis and Funds Flow Analysis, DU-PONT Analysis	07	14
II	Capital Budgeting – Nature and Significance – Time Value of Money – Discounting and Compounding – Methods for evaluating capital expenditure proposals, Computation of Cost of Capital	06	10
	Working Capital Management – Nature of working capital – Need for working capital – Estimation of working capital requirement – Financing working capital requirement – Commercial Papers – Management of Cash and Receivables – Factoring	08	14
III	Capitalization – Under Capitalization and Over Capitalization – Trading on Equity – Leverages	06	07
	Raising the Long Term and Medium Term funds – Own Vs. Borrowed Funds – Public Deposits – Leasing and Hire Purchase – ADR , GDR - Capital Structure – Credit Rating	08	10
IV	Management of Profits – Dividend Policy – Procedural and Legal formalities involved in the payment of dividend – Bonus Shares	05	08
V	The students will prepare and present Small Project Reports on the basis of Practical Cases on the following topics – a. Simple problems on Ratio Analysis – Calculation of Ratios and preparation of financial statements from ratios b. Simple problems on Capital Structure c. Calculation of Cost of Capital		20 Marks CEC

	d. Leverages e. Estimation of Working Capital Requirement f. Simple problems in Management of Receivables g. Methods for evaluation of Capital Expenditure decisions (except IRR)		
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4. Teaching Method: Lecture, Group Discussion, Field Visits, Role Play

5. Evaluation: 70 Marks External/University Exam and 30% Internal Examination

6. Basic Text Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
1	I.M.Pandey	Financial Management	Vikas Publication	Latest Edition
2	Khan & Jain	Financial Management	Tata McGraw Hill	Latest Edition

7. Reference Books:

Sr. No.	Author	Name of the Book	Publisher	Year of Publication
1	S.C.Kuchhal	Financial Management	Chaitanya	Latest Edition
2	R.M.Shrivastava	Financial Management & Policy	Excel Books India	Latest Edition
3	Prasanna Chandra	Financial Management	Tata McGraw Hill	Latest Edition

8. List of Journals/Periodicals/Magazines/Newspapers, etc.

Chartered Financial Analyst, Journal of Financial Management, Economic Times, Business Standard, Financial Express, etc.

9. Session Plan:

Session Nos.	Topics to be covered
01-05	Finance function – Scope and Significance – Role of a finance executive – Various Forms of Business Organizations
06-12	Analysis and interpretation of Financial Statements using the techniques of Ratio Analysis and Funds Flow Analysis, DU-PONT Analysis
13-18	Capital Budgeting – Nature and Significance – Time Value of Money – Discounting and Compounding – Methods for evaluating capital expenditure proposals, Computation of Cost of Capital
19-26	Working Capital Management – Nature of working capital – Need for working capital – Estimation of working capital requirement – Financing working capital requirement – Commercial Papers – Management of Cash and Receivables – Factoring
27-32	Capitalization – Under Capitalization and Over Capitalization –Trading on Equity – Leverages
33-40	Raising the Long Term and Medium Term funds – Own Vs. Borrowed Funds – Public Deposits – Leasing and Hire Purchase – ADR , GDR - Capital Structure – Credit Rating
41-45	Management of Profits – Dividend Policy – Procedural and Legal formalities involved in the payment of dividend – Bonus Shares
	<p>The students have to prepare and present Small Project Reports on the basis of Practical Cases on the following topics –</p> <ul style="list-style-type: none"> a. Simple problems on Ratio Analysis – Calculation of Ratios and preparation of financial statements from ratios b. Simple problems on Capital Structure c. Calculation of Cost of Capital d. Leverages e. Estimation of Working Capital Requirement f. Simple problems in Management of Receivables g. Methods for evaluation of Capital Expenditure decisions (except IRR)

ACTIVE LEARNING ASSIGNMENTS: Preparation of power-point slides, which include videos, animations, pictures, graphics for better understanding theory and practical work – The faculty will allocate chapters/ parts of chapters to groups of students so that the entire syllabus to be covered. The power-point slides should be put up on the web-site of the College/ Institute, along with the names of the students of the group, the name of the faculty, Department and College on the first slide. The best three works should submit to GTU.