

Scheme of Course Work

Course Title	Financial Management
Course Code	15HM 1108
Program	B.Tech
Prerequisites	Managerial Economics & Financial Accounting

Course Outcomes

1	List out the differences between profit maximization, wealth maximization and describe the finance functions and compute the time value of money.
2	Outline the various techniques of appraising capital budgeting decisions
3	Compute cost of capital by using various methods
4	Design capital structure and identify different dividend policies
5	Identify various components of working capital and estimate working capital required for a business concern

Course Outcome versus Program Outcomes:

COs	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PO 9	PO1 0	PO1 1	PO1 2	PSO 1	PSO 2	PSO 3
CO -1												3			
CO -2												3			
CO -3												3			
CO -4												3			
CO -5												3			

S - Strongly correlated, *M* - Moderately correlated,
Blank - No correlation

Week	Topics/Contents	CO	Sample Questions	Teaching learning strategy	Assessment Method & Schedule
1	Finance Function Objective - Profit or Wealth Maximization and EPS Maximization, An overview of Managerial Finance functions	1	1.Difference between wealth and profit maximization 2.What is managerial finance	<ul style="list-style-type: none"> • Lecture • Discussion 	Assignment-I/Quiz-I/Mid-I

2	Time value of money, present value, future value of money and the basic valuation models	1	1.Numerical Problems	<ul style="list-style-type: none"> • Lecture • Discussion • Problem solving 	Assignment-I/Quiz-I/Mid-I
3	Investment Decisions Nature of Capital Budgeting decisions - techniques of capital budgeting: Pay back method, Average rate of return	2	1.Numerical problems	<ul style="list-style-type: none"> • Lecture • Discussion • Problem solving 	Assignment-I/Quiz-I/Mid-I
4	Time-Adjusted methods: IRR and NPV, profitability	2	1. Numerical problems	<ul style="list-style-type: none"> • Lecture • Discussion • Problem 	Assignment-I/Quiz-I/Mid-I

	index, and excess present value index. Advanced problems and cases in capital budgeting			solving	
5	MID EXAM-I				
6	Cost of Capital and Capital Structure Concept and measurement of cost of capital, Debt vs. Equity, cost of equity, preference shares, equity capital and retained earnings	3	1.Types of share capital	<ul style="list-style-type: none"> • Lecture • Discussion 	Assignment-II/Quiz-II/Mid-II
7	Weighted average cost of capital and marginal cost of capital - Capital structure vs. financial structure- Capitalization - Financial leverage, operating leverage and composite leverage	3	1.What is weighted average cost of capital 2.What is capitalization	<ul style="list-style-type: none"> • Lecture • Discussion 	Assignment-II/Quiz-II/Mid-II
8	Capital Structure Theories and Dividend Decisions EBIT-EPS Analysis, Capital structure theories - Dividends and value of the firm - Relevance of dividends, the MM hypothesis, Factors determining Dividend Policy-dividends and valuation of the firm- the basic models - Declaration and payment of dividends - Bonus shares - Rights issue -Share-splits, Walter Model and Gordon Model	4	1.What is the importance of MM hypothesis	<ul style="list-style-type: none"> • Lecture • Discussion 	Assignment-II/Quiz-II/Mid-II

9	Working Capital Management Definition of working capital - types of working capital, and determinants of working capital needs, the operating cycle approach - Estimation of working capital requirements - Receivables Management – Cash Management – Inventory Management	5	1. What are the determinants of working capital? 2. Discuss briefly about receivables management.	<ul style="list-style-type: none"> • Lecture • Discussion 	Assignment-II/Quiz-II/Mid-II
10	MID EXAM II				