

UNIVERSITY OF MADRAS

MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE PROGRAMME SYLLABUS WITH EFFECT FROM 2023-2024

Subject Code	Subject Name	Category	L	T	P	O	Credits	Inst. Hours	Marks		
									CIA	External	Total
434C2E	Financial Management	Core	3	1	-	-	4	60	25	75	100
Course Objectives											
C1	To create an understanding and familiarize the students to the fundamentals of financial management and create awareness on the various sources of finance.										
C2	To create awareness on the various investment techniques on the investment decision making.										
C3	To throw light on the concept of cost of capital and familiarize on the technique of identifying the right source of capital.										
C4	To educate on the concept of capital structure and the create understanding on the concept of dividend.										
C5	To create an understanding on the concept of working capital, its need, importance, factors and forecasting technique										
SYLLABUS											
UNIT	Details							No. of Hours	Course Objectives		
I	Introduction: Financial management: Definition and scope – objectives of Financial Management – Profit Maximization - wealth maximization - functions and role of finance manager. Sources of finance – short term – Bank Sources – Long term – Shares – Debentures – Preferred stock – Debt: Hire purchase, Leasing, Venture Capital – Private equity- International Financial Management- Financial Planning- Behavioural Finance- Capital Market- Money Market- Micro Finance- Financial Information System.							12	C1		
II	Investing Decision - Capital Budgeting Process – Techniques of Investment Appraisal: Pay Back Period; Accounting Rate of Return, Time Value of Money- DCF Techniques –Net Present Value, Profitability Index and Internal Rate of Return- Problems - Risk analysis in Capital Budgeting- Introduction to Fintech – Digital Currency - Cryptocurrency – Financial Modeling; Hurdle Rate.							12	C2		

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III	Cost of Capital - Cost of specific sources of capital – Cost of equity capital – Cost of debt – Cost of preference – Cost of retained earnings - weighted average cost of capital. EBIT -EPS Analysis - Operating Leverage - Financial Leverage-problems.	12	C3
IV	Capital structure - Factors influencing capital structure – optimal capital structure - capital structure theories – Net Income Approach – Net Operating Income (NOI) Approach – Modigliani - Miller(MM) Approach – Traditional Approach – Practical Problems. Dividend and Dividend policy: Meaning, classification - sources available for dividends -Dividend policy general, determinants of dividend policy.	12	C4
V	Working Capital Management - Definition and Objectives - Working Capital Policies - Factors affecting Working Capital requirements - Forecasting Working Capital requirements (problems) - Cash Management - Receivables Management and - Inventory Management - Working Capital Financing - Sources of Working Capital and Implications of various Committee Reports- Financial Analytics.	12	C5
	Total	60	
Course Outcomes			
Course Outcomes	On completion of this course, students will;	Program Outcomes	
CO1	Be aware of the basic concepts of financial management and understand the various sources of finance.	PO4, PO6, PO7	
CO2	Possess knowledge on investment decision making.	PO1, PO2, PO6, PO7	
CO3	Have insights on the cost of capital and would have familiarized themselves with the technique of calculating the cost of capital.	PO2, PO7	
CO4	Have learnt the concept of capital structure and dividend	PO6, PO7	
CO5	Have good understanding on the concept of working capital, its need, importance, factors and the methods of forecasting it.	PO1,PO2, PO4, PO7	
Reading List			
1.	https://accountingexplained.com/managerial/capital-budgeting/		
2.	http://www.studyfinance.com/lessons/workcap/		
3.	Journal of International Financial Management & Accounting		
4.	The Management Accountant Journal - icmai-rnj.in		

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References Books	
1.	S.N.Maheswari, Financial Management, Sulthan Chand & Sons, 15th Edition, 2019
2.	I.M. Pandey Financial Management, Vikas Publishing House Pvt. Ltd., 11th edition, 2018.
3.	Van Horne, J.C., Financial Management and Policy, 13th Edition, Pearson, 2015.
4.	Prasanna Chandra, Financial Management, 10th edition, Tata McGraw Hill, 2019
5.	Periasamy, P., Financial Management, 4th Edition, Tata McGraw-Hill Education Pvt. Ltd., 2017.
6.	Brigham, E.F. and Ehrhardt, M.C., Financial Management: Theory and Practice, 14th Edition, 2015.

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1				2		2	2	
CO 2	2	3				2	2	
CO 3		2					3	
CO 4						2	3	
CO 5	2	2		3			2	

3-Strong 2-Medium 1-Low