

**Revised Syllabus of Courses of B.Com. (Banking & Insurance)
Programme at Semester III
with Effect from the Academic Year 2017-2018**

1. Elective Courses (EC)

**Financial Management - I
Modules at a Glance**

Sr. No.	Modules	No. of Lectures
1	Introduction to Finance and Financial Management	15
2	Financial Goal Setting & Time value of Money	15
3	Investment Decisions: Capital Budgeting	15
4	Financial Decisions	15
	Total	60

Sr. No.	Modules / Units
1	<p data-bbox="320 208 1038 241">Introduction to Finance and Financial Management</p> <p data-bbox="320 257 695 291">A) Introduction to Finance</p> <ul data-bbox="371 297 1342 667" style="list-style-type: none"> • Meaning and definition of finance • Importance of finance • Types of Finance: Public and Private • Sources of finance <ol data-bbox="467 450 1342 667" style="list-style-type: none"> 1. Long Term Sources : Term Loans, Debentures, Bonds, Zero Coupon bonds, Convertible Bonds, Equity shares, Preference shares, CD, CP, Public Deposits 2. Short Term Sources: Bank Finance, Trade Credit ,Other Short Term Sources 3. Venture Capital and Hybrid Financing <p data-bbox="320 674 683 707">B) Financial Management</p> <ul data-bbox="371 714 1082 976" style="list-style-type: none"> • Meaning and Importance of Financial Management • Scope of Financial Management • Functions and Objectives of Financial Management • Primary Objective of Corporate Management • Agency Problem • Organization of Finance Function • Emerging role of Finance Managers in India. <p data-bbox="320 983 671 1016">C) Objectives of the Firm</p> <ul data-bbox="371 1023 1203 1088" style="list-style-type: none"> • Profit Maximization and Shareholders Wealth Maximization, • Profit V/s Value Maximization
2	<p data-bbox="320 1144 959 1178">Financial Goal Setting & Time value of Money</p> <p data-bbox="320 1193 671 1227">A) Financial Goal Setting</p> <ul data-bbox="371 1234 1222 1420" style="list-style-type: none"> • Introduction • Financial Forecasting – Meaning, Techniques, Benefits • Approaches to Financial Planning • Economic Value Added (EVA)– Measurement & Components • Free Cash Flow (FCF) - <p data-bbox="320 1458 660 1491">B) Time Value of Money</p> <ul data-bbox="371 1498 804 1688" style="list-style-type: none"> • Concept • Present Value • Annuity • Techniques of Discounting • Techniques of Compounding,
3	<p data-bbox="320 1742 884 1776">Investment Decisions: Capital Budgeting</p> <p data-bbox="371 1792 671 1825">A) Capital Budgeting</p> <ul data-bbox="472 1832 1334 2087" style="list-style-type: none"> • Nature of Capital Budgeting • Purpose of Capital Budgeting • Capital Budgeting Process • Types of Capital Investment • Basic Principle of Measuring Project Cash Flows • Increment Principle, Long Term Funds Principle, Exclusion of Financial Cost Principle, Post Tax Principle

	<ul style="list-style-type: none"> • Probability technique for measurement of cash flow • Capital Budgeting Techniques: Net Present Value Profitability Index and Discounted Pay Back Method. • A Comparison; Project Selection Under Capital Rationing <p>(Note: Problems on computation of cash flow, ranking of projects on various techniques, selection and analysis with / without capital rationing)</p>
4	Financial Decisions
	<p>A) Cost of Capital :</p> <ul style="list-style-type: none"> • Introduction and Definition of Cost of Capital • Measurement of Cost of Capital • Measurement of WACC using book value and market value method. • Measuring Marginal Cost of Capital <p>B) Capital Structure Decisions:</p> <ul style="list-style-type: none"> • Meaning and Choice of Capital Structure • Importance of Optimal Capital Structure • EBIT -EPS Analysis • Capital Structure Theories • Dividend Policies (Walter & Gordon)

Note: Relevant Law/Statute/Rules in force and relevant Accounting Standards in force on 1st April immediately preceding commencement of Academic Year is applicable for ensuing examination after relevant year.