



Program	Master of Business Administration (MBA)	Semester - 2
Type of Course	-	
Prerequisite		
Rationale	-	
Effective From A.Y.	2024-25	

Teaching Scheme (Contact Hours)				Examination Scheme				
Lecture	Tutorial	Lab	Credit	Theory Marks		Practical Marks		Total Marks
				T	T	P	P	
4	-	-	4	50	30	-	-	150

SEE - Semester End Examination, T - Internal Theory, P - Internal Practical

Course Content		T - Teaching Hours W - Weightage	
Sr.	Topics	T	W
1	Overview of Financial Management: <ul style="list-style-type: none"> • Meaning, Objectives, Scope, Role and Functions of Financial Management (Financial Decisions). • Time value of Money:(theory and numerical) <ul style="list-style-type: none"> ◦ Concepts, Compounding, Discounting, Annuities. • Sources of Long-Term Finance: <ul style="list-style-type: none"> ◦ Introduction to Equity Shares, Preference Shares and Debentures,Term loan. 	15	25
2	Understanding Investment Decisions & Dividend Decisions <ul style="list-style-type: none"> • Understanding Investment Decisions(Capital Budgeting Decisions) <ul style="list-style-type: none"> ◦ Meaning, Features Types and Importance of Investment Decisions ◦ Discounted Cash Flow(DCF) <ul style="list-style-type: none"> ▪ NPV ,IRR, PI, Discounted Payback ◦ Non-Discounted Cash Flow Techniques <ul style="list-style-type: none"> ▪ ARR, Payback period • Understanding Dividend Decision: <ul style="list-style-type: none"> ◦ Dividend and dividend policy ◦ Factors affecting dividend payout ◦ Dividend payment models:(theory and numerical) <ul style="list-style-type: none"> ▪ Dividend relevance model <ul style="list-style-type: none"> • Walter model • Gordon model ▪ Dividend irrelevance model <ul style="list-style-type: none"> • MM model 	15	25
3	Cost of Capital & Leverage <ul style="list-style-type: none"> • Cost of Capital:(theory and numerical) <ul style="list-style-type: none"> ◦ Significance, Concept of the Opportunity Cost of Capital ◦ Component Costs of Capital-Cost of Debt, Preference Capital and Equity Capital Weighted Average Cost of Capital (WACC) • Leverage:(theory and numerical) <ul style="list-style-type: none"> ◦ Types of Leverage-Operating, Financial and Combined Leverage. 	15	25
4	Working Capital Management & Cash Management	15	25



Course Content		T - Teaching Hours W - Weightage	
Sr.	Topics	T	W
	<ul style="list-style-type: none"> • Working Capital Management <ul style="list-style-type: none"> ◦ Concepts of Working Capital. ◦ Operating Cycle. ◦ Determinants of Working Capital. ◦ Estimating Working Capital Needs (theory and numerical) ◦ Working Capital Finance Policies. <ul style="list-style-type: none"> ▪ Matching approach, conservative approach, and aggressive approach. • Cash Management: <ul style="list-style-type: none"> ◦ Need for Cash Management. ◦ Cash Management Cycle. ◦ Cash Forecasting through budgeting.(Cash Budget-sums) 		
Total		60	100

Suggested Distribution Of Theory Marks Using Bloom's Taxonomy				
Level	Understanding	Application	Analyze	Evaluate
Weightage	25	25	25	25

NOTE : This specification table shall be treated as a general guideline for the students and the teachers. The actual distribution of marks in the question paper may vary slightly from above table.

Course Outcomes	
At the end of this course, students will be able to:	
CO1	Examine the impact of investment decision on company's value
CO2	Estimate the cost of each source of capital and combine these costs into a weighted average cost of capital for a company
CO3	Compare dividend policies of Indian corporate with globally practiced
CO4	Explain the relationship between the risks of capital investment with the return.

CO PO Mapping				
CO	CO - 1	CO - 2	CO - 3	CO - 4
PO - 1	3	3	2	2
PO - 2	2	2	2	1
PO - 3	3	3	2	1
PO - 4	0	0	0	3
PO - 5	0	0	3	1

Reference Books	
1.	Financial Management (TextBook) By I M Pandey Vikas Publishing House Pvt Ltd. 11th, Pub. Year 2015
2.	Financial Management By Rajiv Srivastava and Anil Sharma Oxford University Press Latest Edition
3.	Financial Management (TextBook) By I M Pandey Pearson Education Latest Edition
4.	Financial Management (TextBook) By M. Y. Khan & P.K. Jain McGraw -Hill

