

**SES's L.S. RAHEJA COLLEGE OF ARTS AND COMMERCE  
(AUTONOMOUS)**



**BOARD OF STUDIES: ACCOUNTANCY & FINANCE**

**PROGRAMME: BACHELOR OF COMMERCE (BANKING & INSURANCE)**

**SEMESTER: III**

**NOMENCLATURE OF THE COURSE: FINANCIAL MANAGEMENT I**

**NEP Vertical: Minor**

**Credit: 4**

(As Per Choice Based Credit System (under NEP 2020) with effect from the academic year 2025-26)



<b>Programme:</b>	<b>Bachelor of Commerce (Banking &amp; Insurance)</b>
<b>Nomenclature of the Course</b>	<b>Financial Management I</b>
<b>Total Marks</b>	<b>100 marks</b>
<b>Semester:</b>	<b>III</b>
<b>Academic year</b>	<b>2025-26</b>

#### **LEARNING OBJECTIVES:**

- To help students understand the fundamental concepts of finance, financial management, and the various sources of finance, including long-term and short-term financing options.
- To enable students Analyze financial goal-setting techniques, the time value of money, and their applications in financial decision-making.
- To enable students Evaluate working capital management strategies, including estimation, financing options, and the operating cycle in Indian businesses.
- □ To help students Examine the cost of capital, capital structure decisions, and dividend policies, applying relevant theories and analytical techniques such as EBIT-EPS analysis and WACC measurement.

#### **COURSE OUTCOMES:**

- Students will be able to, Demonstrate a thorough understanding of finance, financial management, and various sources of finance, including their implications for business decision-making.
- Students will be able to, Apply financial goal-setting techniques and time value of money concepts to evaluate investment opportunities and enhance financial decision-making.
- Students will be able to, Analyze and implement effective working capital management strategies, including estimation methods, financing options, and the operating cycle, with a focus on Indian businesses.
- Students will be able to, Evaluate capital structure decisions, cost of capital, and dividend policies using financial theories and analytical tools such as EBIT-EPS analysis and WACC measurement to optimize corporate financial performance.

<b>Unit</b>	<b>Course Content</b>	<b>Andragogy</b>	<b>No of Lectures</b>
1	<p><b>Introduction to Finance and Financial Management</b></p> <p>A) Introduction to Finance · Meaning and definition of finance · Importance finance · Types of Finance: Public and Private · Sources of finance 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>	<p>Accounting theory, Problem solving, Presentations,</p> <p>Group discussion, Live case studies,</p> <p>Practical assignment</p>	15

	B) Financial Management · 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. C) Objectives of the Firm · Profit Maximization and Shareholders Wealth Maximization, · Profit V/s Value Maximization		
2	<b>Financial Goal Setting &amp; Time Value of Money</b> A) Financial Goal Setting · Introduction · Financial Forecasting – Meaning, Techniques, Benefits · Approaches to Financial Planning · Economic Value Added (EVA)– Measurement & Components · Free Cash Flow (FCF) - B) Time Value of Money · Concept · Present Value · Annuity · Techniques of Discounting · Techniques of Compounding	Accounting theory, Problem solving, Presentations,  Group discussion, Live case studies,  Practical assignment	15
3	<b>Working Capital Management</b> · Management of Working Capital in India · Estimating working capital needs · Operating or working capital cycle · Working Capital Financing: Trade Credit; Bank Credit; Commercial Papers; Certificate of Deposits (CDs); Financing.	Accounting theory, Problem solving, Presentations,  Group discussion, Live case studies,  Practical assignment	15
4	<b>Financial Decisions</b> A) Cost of Capital: · 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 B) Capital Structure Decisions: · Meaning and Choice of Capital Structure · Importance of Optimal Capital Structure · EBIT -EPS Analysis · Capital Structure Theories · Dividend Policies (Walter & Gordon)	Accounting theory, Problem solving, Presentations,  Group discussion, Live case studies,  Practical assignment	15

### SUGGESTED READINGS

1. Financial Management: I M Pandey, Vikas Publishing House.
2. Financial Management: M.Y. Khan, P.K. Jain, Tata McGraw Hill.
3. Financial Management : Ravi M Kishore, Taxman
4. Financial Management : James C Van Horne, Prentice Hall
5. Financial Management: Prassana Chandra, Prentice Hall.
6. Financial Management: Chandra Haribariran Iyer: IBHL Publication.

## QUESTION PAPER PATTERN

### (A) FOR CONTINUOUS EVALUATION

20 Multiple Choice Questions of 1 mark each – 20 Marks

### (A-1) RUBRICS FOR CONTINUOUS EVALUATION

Sr. No.	Particulars	Marks
1	Class Test	20
2	Assignment/Project	10
3	Presentation/Viva Voce	10
	Total	40

### (B) QUESTION PAPER PATTERN FOR SEMESTER END EXAMINATION

Maximum Marks: 60

Duration: 2 Hours

Question No. 1 is compulsory.

Solve any three Questions from Question Nos. 2 to 5

Question No.	Description	Total Marks
1	Practical Problem	15
2	Practical Problem	15
3	Practical Problem	15
4	Practical Problem	15
5	Short Notes: Answer any 3 out of 5 given (5 marks each)	15

Note: The practical problem of 15 marks each may be split up into two smaller problems carrying 8 marks and 7 marks respectively.