

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



BOARD OF STUDIES: ACCOUNTANCY & FINANCE

PROGRAMME: BACHELOR OF COMMERCE (BANKING & INSURANCE)

SEMESTER: IV

NOMENCLATURE OF THE COURSE: FINANCIAL MANAGEMENT II

NEP Vertical: Minor Credit: 4

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



Programme:	Bachelor of Commerce (Banking & Insurance)
Nomenclature of the Course	Financial Management II
Total Marks	100 marks
Semester:	IV
Academic year	2025-26

LEARNING OBJECTIVES:

- To help the students understand the concepts, principles, and techniques of capital budgeting, including project selection and cash flow measurement, to make informed investment decisions.
- To enable students Analyze the management of working capital components, including cash, receivables, and inventory, to optimize liquidity and operational efficiency.
- To enable students Apply budgeting and budgetary control techniques, including various budget types and zero-based budgeting, for effective financial planning and resource allocation.
- To enable students Evaluate strategic financial management concepts, risk factors, leverage and investment decision-making frameworks to enhance financial stability and business growth.

COURSE OUTCOMES:

- Students will be able to, demonstrate a comprehensive understanding of capital budgeting concepts, processes, and techniques to assess and select viable investment projects.
- Students will be able to, Apply effective working capital management strategies, including cash, receivables, and inventory management, to improve financial efficiency and decision-making.
- Students will be able to, Develop and implement budgeting and budgetary control techniques, including zero-based and flexible budgeting, to enhance financial planning and resource utilization.
- Students will be able to, Analyze strategic financial management frameworks, risk factors, and leverage concepts to make informed financing and investment decisions for sustainable business growth.

Unit	Course Content	Andragogy	No of Lectures
1	Investment Decisions : Capital Budgeting	Accounting theory,	15
	A) Capital Budgeting · 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, Probability technique for measurement of cash flow · Capital Budgeting Techniques: Net Present Value Profitability	Problem solving, Presentations, Group discussion, Live case studies, Practical assignment	

	Index and Discounted Pay Back Method. · A Comparison; Project Selection Under Capital Rationing (Note: Problems on computation of cash flow, ranking of projects on various techniques, selection and analysis with / without capital rationing)		
2	Management of Components of Working Capital · Management of Cash and Marketable Securities: Motives for Holding Cash; Objectives of Cash Management; Factors Determining Cash Needs; Basic Strategies of Cash Management; Cash Management Techniques / Processes; Marketable Securities; and Cash Management Practices in India. · Receivables Management: Objectives; Credit Policies; Credit Terms; and Collection Policies. · Inventory Management: Objectives; and Techniques.	Accounting theory, Problem solving, Presentations, Group discussion, Live case studies, Practical assignment	15
3	Budgeting & Budgetary Control · Introduction · Meaning and Essentials of Budget · Types of Budget · Advantages of Budgeting · Zero Based Budgeting · Master Budget. · Sales Budget, Production Budget, Material Budget, Cash Budget and Flexible Budget.	Accounting theory, Problem solving, Presentations, Group discussion, Live case studies, Practical assignment	15
4	Strategic Financial Management · Meaning of Strategic Financial Management · Strategic financial decision making framework · Functions of Strategic financial management Business Risk and Financial Risk · Introduction · Debt v/s Equity Financing · Types of Leverage · Investment Objective/Criteria for Individuals/Non-Business Purpose. (Practical problems on Leverages)	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

Accountancy- 40 Marks

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.