

404 : Financial Management

1. Financial management: Financial goals; profit vs wealth maximization; financial functions-investment, financing, and dividend decisions; Financial planning.
2. Capital Budgeting: Nature of investment decisions, investment evaluation criteria, payback period, accounting rate of return, net present value, internal rate of return profitability index; NPV and IRR comparison.
3. Cost of Capital: Significance of cost of capital; Calculating cost of debt; Preference shares, equity capital, and retained earnings; combined (Weighted) cost of capital.
Operating and Financial Leverage: Their measure; Effects on profit, analysing alternate financial plans, combined financial and operating leverage.
4. Capital Structure : Theories and determinants
Dividend Policies: Issues in dividend policies; Walter's model; Gordon' model; M.M. Hypothesis, forms of dividends and stability in dividends, determinants.
5. Management of Working Capital: Nature of working capital, significance of working capital, operating cycle and factors determining of working capital requirements; Management of working capital-cash, receivables, and inventories.

Suggested Readings:

1. Van Horne J.C: Financial management and Policy; Prentice Hall of India, New Delhi.
2. Van Horen J. C: Fundamentals of Financial Management; Prentice Hall of India, New Delhi.
3. Khan M. Y. and Jain P. K: Financial management, Text and Problems; Tata McGraw Hill, New Delhi.
4. Prasanna Chandra: Financial Management Theory and Practice; Tata McGraw Hill, New Delhi.
5. Pandey I. M: Financial Management: Vikas Publishing House, New Delhi.
6. Brigham E. F., Gapenski L. C., and Ehrhardt M.C: Financial management-Theory and Practice: Harcourt College Publishers, Singapore.
7. Bhalla V. K. : Modern Working Capital Management, Anmol Pub, Delhi.
8. Rao, Singh Rao Financial management Apex Publishing, Udaipur