

**OBJECTIVE :** This is the foundation course in the area of Finance. This acquaints the student in decision making in a business organization for the efficient utilization of financial resources.

**LEVEL OF KNOWLEDGE :** Expert knowledge is required by the students to develop decision making skill in this vital area of business.

**DETAILED SYLLABUS :**

#### Unit - 1

Introduction : Nature and scope.

Traditional and modern role of finance manager.

Objectives of the firm.

Profit vs wealth maximization.

Types of instruments.

Type and methods for raising capital.

#### Unit - 2

Capital investment : Capital budgeting process and significance.

Project evaluation, selection, appraisal methods under certainty.

Project selection under uncertainty.

Financing decision.

Cost of debt.

Cost of equity, and retained earnings.

Overall cost of capital W A C C.

Leverages - operating and financial.

Miller Modigliani and proposition on cost of capital.

#### Unit - 3

Dividend decision : Determination of dividend policy.

Gordon Model (2) Walters Model.

Miller Modigliani Proposition.

#### Unit - 4

Working capital in management

Introduction to operating cycle & weighted operating cycle approach.

Determinants and financing of working capital.

Management of cash-monitoring working capital efficiency - univariate and bivariate approach. Management of receivables.

#### Unit - 5

Investment & security analysis.

Nature, meaning, scope of security analysis and investment management.

Financial assets and their investment.

Stock markets in India - primary and secondary.

Sources of financial information & interpretation of financial pages.

Fundamental and technical analysis.

Risk-Return relationship, Markowitz approach, capital asset pricing model.

**REFERENCES :**

Project preparation Appraisal Budgeting & Implementation : P. Chandra  
Financial Management Theory & Practice : P. Chandra  
Financial Management & Control : S. K. Chakraborty