



GUJARAT TECHNOLOGICAL UNIVERSITY

Syllabus for Master of Business Administration (International Business), 2nd Semester

Subject Name: Financial Management (FM)

Subject Code: 1529302

With effective
from academic
year 2018-19

1. Learning Outcomes:

Learning Outcome Component	Learning Outcome
Business Environment and Domain Knowledge (BEDK)	<ul style="list-style-type: none"> The course content will equip the students with conceptual understanding of finance and its practical application. The course also intends to make students gain the practical knowledge of various financial decisions of the organisation with the help of selected numerical problems. The course will help the students in applying the concepts of Financial Management in their role as Financial Managers.
Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI)	<ul style="list-style-type: none"> Critically evaluate investment decisions, dividend decisions and financing decisions
Social Responsiveness and Ethics (SRE)	<ul style="list-style-type: none"> Make sound and ethical financial decisions in a risky business environment

2. **Course Duration:** The course duration is of **40 sessions of 60 minutes each.**

3. Course Contents:

Module No:	Module Content	No. of Sessions	70 Marks (External Evaluation)
I	<p>Overview of Financial Management:</p> <ul style="list-style-type: none"> Meaning, Objectives, Scope and Finance Functions Financial Goal - Profit Maximization versus Shareholders' Wealth Maximization <p>Time value of Money: (Theory and Numerical)</p> <ul style="list-style-type: none"> Concepts, Compounding, Discounting, Annuities <p>Sources of Long-Term Finance:</p> <ul style="list-style-type: none"> Overview of Equity Shares, Preference Shares and Debentures. 	10	17
II	<p>Understanding Investment Decisions (Capital Budgeting Decisions):</p> <ul style="list-style-type: none"> Capital Budgeting Techniques - Discounted Cash Flow (DCF) Techniques (NPV, IRR, PI) and Non-Discounted Cash Flow Techniques (ARR, Payback period) (Theory and Numerical) <p>Understanding Dividend Decision:</p> <ul style="list-style-type: none"> Dividend and dividend policy Dividend Payment Models – Dividend relevance model (Walter model, Gordon model) and Dividend irrelevance model (MM model) (Theory and Numerical) 	10	18



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III	<p>Cost of Capital: (Theory and Numerical)</p> <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) <p>Leverage:</p> <ul style="list-style-type: none"> • Types of Leverage - Operating, Financial and Combined Leverage (Theory and Numerical) <p>Understanding Financing Decisions (Capital Structure Decisions): (Theory and Numerical)</p> <ul style="list-style-type: none"> • NI Approach • NOI Approach 	10	18
IV	<p>Working Capital Management:</p> <ul style="list-style-type: none"> • Concepts of Working Capital • Operating Cycle (Theory and Numerical) • Determinants of Working Capital. • Issues in Working Capital Management. <p>Inventory Management –</p> <ul style="list-style-type: none"> • Significance and Objectives • Costs associated with Inventory • Inventory Management Techniques (EOQ & ABC) (Theory and Numerical) 	10	17
V	<p>Application: Select suitable organization and study:</p> <ul style="list-style-type: none"> • The role and functions of Finance department; • Select Scrip or bonds and do the valuation of its Securities; • Study the investment decisions, working capital policy and cash budgeting etc. 	---	(30 marks CEC)

4. Pedagogy:

- ICT enabled Classroom teaching
- Case study
- Practical / live assignment
- Interactive class room discussions

5. Evaluation: Students shall be evaluated on the following components:

A	Internal Evaluation	(Internal Assessment- 50 Marks)
	• Continuous Evaluation Component	30 marks
	• Class Presence & Participation	10 marks
	• Quiz	10 marks
B	Mid-Semester examination	(Internal Assessment-30 Marks)
C	End –Semester Examination	(External Assessment-70 Marks)



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6. Reference Books:

No.	Author	Name of the Book	Publisher	Year of Publication
1	I M Pandey	Financial Management	Vikas Publication	Latest Edition
2	Chandra Prasanna	Financial Management, theory and Practice	Tata McGraw Hill	Latest Edition
3	Khan and Jain	Financial Management	Tata McGra w Hill	Latest Edition
4	Rajiv Srivastava & Anil Misra	Financial Management	Oxford Higher Education	Latest Edition
5	Ravi Kishore	Financial Management – Problems and Solutions	Taxmann	Latest Edition
6	P C Tulasiyani	Financial Management	S. Chand	Latest Edition
7	Kulkarni, Satyaprasad	Financial Management	Himalaya Publication	14 th Revised Edition
8	Brigham, Ehrhardt	Financial Management	Cengage	14 th Edition
9	Vyuptakesh Sharan	Fundamentals of Financial Management	Pearson	3 rd Edition
10	R P Rastogi	Financial Management	Taxmann	Latest Edition

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

7. List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc.

1. News Paper: Business Standard, Economic Times, Times of India
2. Journals: Finance India, Global Journal of Finance & Management, Journal of Business & Financial Affairs etc.
3. Websites pertaining to companies, capital market, RBI etc.