



GUJARAT TECHNOLOGICAL UNIVERSITY
Programme: Master of Business Administration
Branch: International Business
Semester: 2
Subject Name: Financial Management
Subject Code: 2529304

Rationale: Finance is a business language so every students of Master of Business Administration should know this. All students have to take an introductory financial management course to develop the managerial perspective of financial terminology, rules, methodology. And to familiarize students with the technologies used in basic financial management.

1. Course Scheme:

Teaching Scheme			Credits	Examination Marks				Total Marks
L	T	P		Theory		Practical		
			C	ESE (E)	PA(M)	ESE (V)	PA (I)	
4	0	0	4	70	30	0	50	150

2. Course Outcomes:

Sr. No.	Course Outcomes
CO1	To remember fundamental Principles of Financial Management
CO2	To Understand various concepts for Financial management
CO3	To Apply Financial management to take effective Managerial Decision
CO4	To Analyze the financial performance of companies with the help of different tools & techniques of analysis.

3. Course Content:

Unit No.	Content	No. of Hours	Marks
1	Overview of Financial Management: <ul style="list-style-type: none"> • Meaning, Objectives, Scope and Finance Functions • Financial Goal - Profit Maximization versus Shareholders' Wealth Maximization Time value of Money: (Theory and Numerical) • Concepts, Compounding, Discounting, and Annuities • Sources of Long-Term Finance: • Overview of Equity Shares, Preference Shares and debentures. Understanding Investment Decisions (Capital Budgeting Decisions): <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) 	8	14
2	Cost of Capital: (Theory and Numerical) <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) Leverage: <ul style="list-style-type: none"> • Types of Leverage - Operating, Financial and Combined 	12	21



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	Leverage (Theory and Numerical) Understanding Financing Decisions		
3	Capital Structure Decisions: (Theory and Numerical) <ul style="list-style-type: none"> • NI Approach • NOI Approach Working Capital Management: <ul style="list-style-type: none"> • Concepts of Working Capital • Operating Cycle (Theory and Numerical) • Determinants of Working Capital. Estimating Working Capital Requirements (Theory and Numerical), Issues in Working Capital Management, Various sources of financing of working capital 	8	14
4	Inventory Management: <ul style="list-style-type: none"> • Significance and Objectives • Costs associated with Inventory • Inventory Management Techniques (EOQ, ABC, LIFO, FIFO & Weighted Average) (Theory and Numerical), Motives of holding inventory Budget and Budgetary Control: Meaning, importance, types and process of budgeting, Cash budget & Flexible budget (Theory and Numerical)	12	21
	Application: Select suitable organization and study: <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. 		Internal Evaluation of CEC (30 marks)
	Total Hours/Marks:		40/70

Suggested Specification Table For Question Paper Design:

Unit No.	Unit Title	Teaching Hours	Distribution of Theory Marks (Assessment as per Revised Bloom's Taxonomy Level*)						Total Marks
			RM	UN	AP	AN	EL	CR	
I	Module-1	10	7	7	0	0	0	0	14
II	Module-2	10	4	4	6	7	0	0	21
III	Module-3	10	0	0	4	10	0	0	14
I V	Module-4	10	0	7	7	7	0	0	21
	Total	40	11	18	17	24			70

***RM: Remember, UN: Understand, AP: Apply, AN: Analyze, EL: Evaluate, CR: Create**

Note: This specification table provides general guidelines to assist student for their learning and to teachers to teach and question paper designers/setters to formulate test items/questions to assess the attainment of the UOs. The actual distribution of marks at different taxonomy levels in the question paper may slightly vary from above table.



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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)
• Presentation on Analysing the Performance Evaluation of Listed Companies of different sectors	30 marks
• Class Presence & Participation	10 marks
• Quiz & Assignments	10 marks
B. Mid-Semester examination	(Internal Assessment-30 Marks)
C. End –Semester Examination	(External Assessment-70 Marks)

6. Suggested Learning Resources:

S. No.	Title of Book	Author	Publication with place, year and ISBN
1	Financial Management	I M Pandey	Vikas Publication
2	Financial Management, theory and Practice	Chandra Prasanna	Tata McGraw Hill
3	Financial Management	Khan and Jain	Tata McGraw Hill
4	Financial Management	Rajiv Srivastava & Anil Misra	Oxford Higher Education
5	Financial Management – Problems and Solutions	Ravi Kishore	Taxmann
6	Financial Management	P C Tulasiyani	S. Chand
7	Financial Management	Kulkarni, Satyaprasad	Himalaya Publication
8	Financial Management	Brigham, Ehrhardt	Cengage
9	Fundamentals of Financial Management	Vyuptakesh Sharan	Pearson
10	Financial Management	R P Rastogi	Taxmann

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.