



GUJARAT TECHNOLOGICAL UNIVERSITY

Bachelor of Engineering

Subject Code: 3161503

Semester –VI

Industrial Engineering

Subject Name: Finance Management and Cost Control

Type of course:

Prerequisite: Nil

Rationale:

The focus of this course is in the area of financial management and cost control. This will show students how to estimate the cost for engineering production and help them to understand how firms meet their financial objectives utilizing financial decision-making. This course will also explain financial tools and techniques, which can be used to help firms maximize value by improving decisions relating to Finance accounting, budgetary control, and Sources of Finance.

Teaching and Examination Scheme:

Teaching Scheme			Credits C	Examination Marks				Total Marks
L	T	P		Theory Marks		Practical Marks		
				ESE (E)	PA (M)	ESE (V)	PA (I)	
3	0	2	4	70	30	30	20	150

Content:

Sr. No.	Content	Total Hrs
1	Estimating for Engineering Production: Types of estimation, methods of estimate, data required for estimating, estimating material requirements, standard form of materials, estimating the time for operations, estimation for sample parts-cast, forged, formed, welded and machined parts.	08
2	Costing and Cost control : Cost elements, allocation of over heads, factory costs, administration and sales cost, cost accounting systems, standard costs, break even points, profit and volume relationship.	07
3	Finance Management and Planning: Financial Management: Introduction, Definitions, Objectives of Financial Management, Finance Management Functions, Interface between Finance and Other Management Functions, Financial Planning: Introduction, Objectives, Benefits and Guidelines, Steps in Financial Planning, Affecting Factors of Financial Planning, Estimation of Financial Requirements of a Firm, Capitalization.	08
4	Finance Accounting : Double entry system, cash book, ledger, balancing the accounts, profit and loss account, Use of financial accounting balance sheets as a picture of sources and uses of funds, comparison of financial accounting reports through ratio analysis, profitability ratios, liquidity ratios, depreciation of fixed assets, valuation of current assets.	08



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5	Budgetary control : Strategic decisions, evaluating investment alternatives, comprehensive budgeting, budgetary control systems.	07
6	Sources of Finance : Private or public, local, national or international factors affecting the selection of sources: capitalizing the reserves.	06
	Total Hours	44

Suggested Specification table with Marks (Theory): (For BE only)

Distribution of Theory Marks					
R Level	U Level	A Level	N Level	E Level	C Level
10	15	25	25	20	5

Legends: R: Remembrance; U: Understanding; A: Application, N: Analyze and E: Evaluate C: Create and above Levels (Revised Bloom's Taxonomy)

Note: This specification table shall be treated as a general guideline for students and teachers. The actual distribution of marks in the question paper may vary slightly from above table.

Reference Books:

1. Financial management by I. M. Pandey – Vani Education book.
2. Financial management & cost control by NPC volume.
3. The VNR concise guide to financial management by Carl Heyel.
4. Mathematics of finance by Lloyd L. Smail.
5. Introduction to Business finances by Bion B.Howard & Miller Upton.
6. Financial decision making by John J. Hampton.
7. Financial management & Policy by James C. Van Horne.
8. Financial management by Chandra
9. Accounting and finance for manager by B.K.Chaudhary.

Course Outcomes: Students will be able to:

Sr. No.	CO statement	Marks % weightage
CO-1	Illustrate Estimating of Engineering production,	20
CO-2	Understand Cost and cost control in engineering production.	25
CO-3	Demonstrate Financial management and planning	25
CO-4	Illustrate finance accounting	20
CO-5	Understand source of finance.	10



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Term Work:

The term work shall be based on the topics mentioned above.

List of Experiments:

1. Exercise on cost estimation of cast parts: Forged parts, Formed parts, Welded Parts, Machine parts..
2. Exercise on costing and cost control
3. Exercise on Financial Management
4. Exercise on Financial Planning.
5. Exercise on financial statements and financial ratios.
6. Exercise on balance sheet preparation.
7. Exercise on budgetary control.
8. Survey on source of finance.

List of Open Source Software/learning website:

NPTEL