

**BHAGWAN MAHAVIR UNIVERSITY, SURAT****S.Y B.M.S (Bachelor of Management Studies)****1060205302 - FINANCIAL MANAGEMENT-I****Second Year BMS****Semester – III**

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| <b>Subject Name</b>     | Financial Management-I  |
| <b>Subject Code</b>     | 1060205302  |
| <b>Objectives</b>       | <ul style="list-style-type: none"> <li>To understand the role of financial management in business and the essentials of corporate finance.</li> </ul>                 |
| <b>Subject Outcome</b>  | <ul style="list-style-type: none"> <li>Learn how to implement the Financial Techniques in the Business</li> </ul>   |
| <b>Course Duration</b>  | The course duration is of 45 sessions of 60 minutes each.   |
| <b>Teaching Methods</b> | <p>The course will use the following pedagogical tools:</p> <p>(a) Lectures and Discussions</p> <p>(b) Assignment/Activities/Quiz/Class participation</p>             |
| <b>Evaluation</b>       | <b>Continuous Evaluation</b>  |
|                         | <p><b>Internal Assessment-(30 Marks)</b></p> <p>Internal Exam/Assignments/Quiz/Class participation/Attendance, etc.</p> <p><b>External Assessment- (70 Marks)</b></p> |

**Course Contents**

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|---------------|---|------------|
| <b>Unit 1</b> | <b>INTRODUCTION TO FINANCIAL MANAGEMENT</b>   | <b>25%</b> |
|               | <p>1.1 Meaning &amp; Definition of Financial Management</p> <p>1.2 Evolution of Financial Management (Traditional Approach, Transitional Approach &amp; Modern Approach)</p> <p>1.3 Modern Approach Lays Stress on Three Types of Decisions</p> <p>1.4 Functions of Financial Management (Managerial or Executive Function &amp; Incidental or Routine) Function</p> <p>1.5 Role of Financial Manager</p> <p>1.6 Goals of Financial Management Profit Maximization Approach &amp; Wealth Maximization Approach)</p> <p>1.7 Relationship of Financial Management &amp; Other Disciplines</p> |            |
| <b>Unit 2</b> | <b>THE INDIAN FINANCIAL SYSTEM</b>  | <b>10%</b> |
|               | <p>2.1 Capital Market(Primary/Secondary Market)</p> <p>2.2 Money Market</p> <p>2.3 Difference Between Money Market and Capital Market:</p>  |            |

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|---------------|--|------------|
| <b>Unit 3</b> | <b>Sources of Long Term Finance</b>  | <b>25%</b> |
|               | <p>3.1 Features, Merits and demerits of raising the following forms of Finance from the point of view of Investor/lender and company.</p> <p>A. Retaining Earning<br/> B. Equity share<br/> C. Right share (Brief Idea)<br/> D. Preference Share<br/> E. Debenture and bond<br/> F. Term Loan</p> <p>3.2 Comparison between all the above form of finance<br/> 3.3 Financial evaluation from the view point of company as well as investors.</p> |            |
| <b>Unit 4</b> | <b>CAPITALIZATION</b>  | <b>15%</b> |
|               | <p>4.1 Introduction to Capitalization<br/> 4.2 Meaning of Actual and Proper Capitalization<br/> 4.3 Meaning, characteristics ,causes , Merits, Demerits and Remedial Measures of</p> <ul style="list-style-type: none"> <li>• Over Capitalization</li> <li>• Under Capitalization</li> </ul>   |            |
| <b>Unit 5</b> | <b>CAPITAL BUDGETING</b>   | <b>25%</b> |
|               | <p>5.1 Meaning of Capital Budgeting<br/> 5.2 Importance &amp; Process of Capital Budgeting<br/> 5.3 Investment Appraisal Tools</p> <p>A. Net Present Value<br/> B. Internal Rate of Return<br/> C. Payback Period<br/> D. Accounting Rate of Return</p> <p>5.4 Concept of Capital Rationing (Theory)</p>   |            |

**Reference Books:**

1. Essential of Business Finance by R.M. Shrivastava (Himalaya Publishing House)
2. Financial Management by I.M Pandey(Vikas Publication)
3. Financial Management by T.J. Rana (B.S. Shah Publication)
4. Financial Management Theory Practise by Khan & Jain, Tata McGrow Hill publication
5. Financial Management Theory Practise by Prasanna Chandra, Tata McGrow Hill publication