



Financial Management
Financial Management
[Elective Course]

Semester: I	Credits: 4	Subject Code: MCM12004	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Appreciate the role and significance of finance function for an organization
- Develop an ability to comprehend financing decisions with the aid of different techniques of Capital Budgeting
- Synthesize the concepts of financial statement analyses and interpret relationship between items of financial statements
- Correlate and discuss the significance of working capital management for an organization
- Recognize the concepts of International Financial Management

Unit 1: Introduction	14
<ul style="list-style-type: none"> • Meaning and definition of Financial Management • Role of Finance Manager • Goals of Financial Management • Financing Decisions <ul style="list-style-type: none"> ○ Capitalization: Meaning and definition; Over Capitalization-Meaning, definition, causes, effects and remedies; Under-Capitalization – Meaning, definition, causes, effects and remedies; Theories of Capitalization ○ Capital Budgeting: Meaning and definition; Process of Capital Budgeting; Techniques of Capital Budgeting - Pay Back Period, Average Rate of Return, Net Present Value, Internal Rate of Return - Merits and Demerits 	

Unit 2: Financial Statements and Financial Analysis	12
<ul style="list-style-type: none"> • Role, Progress and Challenges to Developments in Indian Banking • Financial Statements: <ul style="list-style-type: none"> ○ Concept of Financial Statements and their anatomy ○ Balance Sheet and its utility ○ Income Statement and its utility ○ Limitations of Financial Statements • Financial Analysis: <ul style="list-style-type: none"> ○ Types of analysis and their utility 	

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- Techniques of Financial Analysis: Ratio Analysis, Fund Flow Analysis and DuPont Analysis

Unit 3: Management of Working Capital

12

- Meaning and nature of Working Capital
- Working Capital Management- its significance, Operating Cycle Concept
- Factors affecting Working Capital requirements
- Financing of Working Capital -Trade Credit, Bank Credit, Commercial Papers, Deposits, Factoring
- Inventory Management- Meaning, objectives and techniques
- Receivables Management-Meaning, objectives and scope of Receivables Management -Credit Policies, Credit Terms and Collection Policies

Unit 4: International Financial Management

10

- International Financial Management
 - Meaning and definition
 - Difference between Domestic and International Financial Management
 - Scope of International Financial Management
 - Role of International Finance Manager
- Theoretical developments in International Financial Management
 - Exchange Risk
 - Cost of Capital
 - Financial Structure
 - Capital Budgeting

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.

Recommended Reference Books:

- Dr. Chandra Prasanna. *Financial Management Theory & Practice*. Tata McGraw Hill Company Limited: New Delhi; 2019.
- Dr. Shrivastava, R. M. *Financial Management and Policy*. Himalaya Publishing House: Mumbai; 2017.
- Pathak Bharati. *Indian Financial System*, Dorling Kindersley (India) Pvt. Ltd.; Noida; 2018.
- Pandey, I. M. *Financial Management*. Vikas Publishing House: New Delhi; 2014.
- Bhalla, V.K. *Financial Management*. S. Chand and Co. Pvt. Ltd.: New Delhi; 2014.
- Horne, Wachowicz Jr., Bhaduri. *Fundamentals of Financial Management*. Pearson Education: New Delhi; 2008.
- Khan, M.Y. and Jain, P.K. *Financial Management-Text, Problems and Cases*. Tata

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MCOM 2020-2023

McGraw Hill Education Pvt. Ltd.: New Delhi; 2007.

- Agrawal, M.R. *Financial Management*. Garima Publication: Jaipur; 2011.
- Saha, Talati Jay and Dr. Tekwani Deepak. *Financial Management- Text and Cases*. Himalaya Publishing House: Mumbai; 2018.

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