

Course Number: ABM801, Course Title: FINANCIAL MANAGEMENT & ANALYSIS

Class: M.Com. Status of Course: MAJOR COURSE, Approved since session: 2012-13

Total Credits: 4, Periods (55mts. each)/week: 4(L-4+T-0+P/S-0), Min.pds./sem.:52

[SAME AS CLM806]

UNIT 1: FINANCE FUNCTION [11 pds]

(a) Finance Function - Meaning (b) Goal, objectives & functions of Financial Management (c) Time Value of Money, Risk Return Trade off.

UNIT 2: CAPITAL STRUCTURE AND COST OF CAPITAL [10 pds]

(a) Concept and importance of Cost of Capital (b) Calculation of Cost of Individual Capital components (i) Cost of Short-Term Debt (ii) Cost of long term debt (iii) Cost of preferred stock (iv) Cost of equity stock (v) Cost of retained earning (c) Calculation of composite cost of capital (d) Cut off point (e) Capital Structure: Meaning, Theories and Leverage Analysis.

UNIT 3: CAPITAL BUDGETING [11 pds]

(a) Concept and Importance of Capital Budgeting (b) Techniques of Capital Budgeting including Capital Rationing and Tax Factor (i) Capital Budgeting under uncertainty (ii) Analysis of selected investment decisions

UNIT 4: WORKING CAPITAL DECISIONS [10 pds]

(a) Concept of Working Capital (b) Management of Working Capital (c) Management of Cash, Accounts Receivable and Inventories.

UNIT 5: DIVIDEND POLICY [10 pds]

(a) Determinants of dividend policy (b) Dividend Pay-Out models (c) Dividend Policy and Valuation of shares.

SUGGESTED READINGS:

James C Van Horne: FINANCIAL MANAGEMENT AND POLICY

James CT Mao: QUANTITATIVE ANALYSIS OF FINANCIAL DECISIONS

J Fied Weston and Eugene F. Bringham: MANAGERIAL FINANCE

PV Kulkarni: FINANCIAL MANAGEMENT-A CONCEPTUAL APPROACH

Keith V Smith: READINGS ON THE MANAGEMENT OF WORKING CAPITAL

Ezra Solomon: THEORY OF FINANCIAL MANAGEMENT

IM Panday: FINANCIAL MANAGEMENT

MY Khan & PK Jain: FINANCIAL MANAGEMENT