

BBA Sem.-III
Syllabus
June 2012

Uka Tarsadia University

FUNDAMENTALS OF FINANCIAL MANAGEMENT

Core Course

52 Hours Theory - 4 Credits

Course Code: 030030304

Total No. of Units: 4

Course Objectives: To give insight into the field of financial management.

Course Outcome: Students will understand the effects of financial management in the context of common business decisions and strategies.

	SECTION-I		No. of Hours Required
Unit-1 [Weightage-25%]	Introduction to Financial Management [Total Hours-13]		13
	1.1	Introduction and Evolution of Financial Management	
	1.2	Goals/Objective of Financial Management	
	1.3	Agency Problem	
	1.3	Functions of Finance Manager	
	1.4	Functions of Finance Department	
	1.5	Relationship of Financial Management with other Disciplines: Economics, Accounting and Others	
Unit-2 [Weightage-25%]	Sources of Long Term Finance [Total Hours- 13]		13
	2.1	Equity Share Capital: Concept, Features, Merits and Demerits	
	2.2	Preference Share: Concept, Features, Merits and Demerits	
	2.3	Debenture: Concept, Features, Merits and Demerits	
	2.4	Retained Earnings: Concept, Features, Merits and Demerits	
	2.5	Term Loan: Concept, Features, Merits and Demerits	
	2.6	Right issue: Concept, Procedure and Condition	
	2.7	Venture Capital: Concept, Features, Process, Importance	
	2.8	Global Depository Receipt: Concept, Guidelines and Merits	

	SECTION-II		No. of Hours Required
Unit-3 [Weightage-20%]	Capitalization and Leverage [Total Hours-10]		
	A. Capitalization [Total Hours-05]		05
	a3.1	Concept of Capitalization	
	a3.2	Under Capitalization: Concept, Causes, Merits, Demerits and Remedial Measures	
	a3.3	Over Capitalization: Concept, Causes, Merits, Demerits and Remedial Measures	
	a3.4	Proper Capitalization: Concept	
	B. Leverage [Total Hours-05]		05
	b3.1	Operating Leverage: Concept, Significance and Numerical	
	b3.2	Financial Leverage: Concept, Significance and Numerical	
	b3.3	Combined Leverage: Concept, Significance and Numerical	
Unit-4 [Weightage-30%]	Capital Budgeting [Total Hours-16]		16
	4.1	Capital Budgeting—Concept and Significance/ Importance	
	4.2	Process of Capital Budgeting	
	4.3	Capital Budgeting Techniques: Pay Back Period, Average Rate of Return, Net Present Value, Internal Rate of Return and Profitability Index	
	4.4	Capital Budgeting Decision with Replacement Case	
	4.5	Capital Budgeting Decision with Single Proposal and Mutual Exclusive Proposal	
	4.6	Capital Rationing—Concept and Significance	

Text Book:

1. Jain, P.K. and M.Y. Khan. *Financial Management*. New Delhi: Tata McGraw-Hill Publishing Company Limited, 2007.

References Books:

2. Pandey, I.M. *Financial Management*. New Delhi: Vikas Publishing House Pvt. Ltd., 2010.
3. Bhala, V.K. *Financial Management and Policy*. New Delhi: Anmol Publication Pvt. Ltd., 2006.
4. Reddy, G. Sudarsana. *Financial Management: Principles and Practice*. Mumbai: Himalaya Publishing House Pvt. Ltd., 2008.