

DEPARTMENT OF COMMERCE				CLASS: II B.Com (General, PA, B&I,CM)				
Sem	Course Type	Course Code	Course Title	Credits	Contact Hours/week	CIA	Ext	Total
IV	Major Core - 12	20U4KMC12	Financial Management	4	5	25	75	100

Nature of Course			
Knowledge and Skill oriented	✓		Employability oriented
			Entrepreneurship oriented

Course Objectives
<ul style="list-style-type: none"> <li>To familiarize the students with the concepts, tools and practices of financial management</li> <li>To learn about the decisions and processes of financial management in a business firm.</li> <li>To understand the nature and evaluation of capital budgeting decision</li> <li>To make a decision long term investment proposals by using Payback, NPV, IRR &amp; ARR and prepare statement of working capital requirements independently.</li> <li>To familiarize the concept of dividend policy and its relevance in corporate</li> </ul>

Unit	Course Contents	Hours	K level	CLO
I	<b>Introduction to Financial Management and Cost of Capital</b> Definition – Scope – Objectives – Functions - Responsibility of Financial Manager – Financial Decisions – Sources of Funds – Long term – Short term sources. Cost of Capital – Meaning – Importance – Measurement – Cost of Debenture, Preference Share, Equity Share, Retained Earnings – Weighted Average Cost.	15	Up to K2	CLO 1
II	<b>Capital Structure and Leverages</b> Capital structure – Theories of Capital Structure – Designing Optimum Capital structure – Indifference point – Financial Break Even point. Leverages – Meaning – Financial Leverage – Operating Leverage – Combined Leverage.	15	Up to K3	CLO 2
III	<b>Capital Budgeting</b> Meaning – Significances – Methods of Appraisal - Pay Back Method – Discounted Cash Flow Method – Discounted Pay Back – Net Present Value – Profitability Index – Internal Rate of Return – Average Rate Return (ARR) – Capital Rationing.	15	Up to K3	CLO 3
IV	<b>Working Capital Management</b> Meaning – Types of Working Capital – Factors influencing Working Capital – Sources of Working Capital – Operating Cycle – Estimation of Working Capital.	15	Up to K4	CLO 4
V	<b>Dividend Policy</b> Meaning – Types of Dividend – Factors influencing Dividend Policies – Theories of Dividend Decisions – Irrelevance and Relevance Theory.	15	Up to K3	CLO 5

**Note:** The Questions should be asked in the ratio of 80% Problems and 20 % for theory

### **Books for Study**

Shasi K. Gupta, *Financial Management*, Kalyani Publishers, Ludiana.

### **Books for Reference**

1. M.Y. Khan & P.K. Jain, *Financial Management Text, Problems and Cases*, McGraw Hill Education Pvt. Ltd. New Delhi.
2. IM. Pandey, *Financial Management*, Vikas Publishing House Pvt. Ltd. Noida.
3. Dr. A. Murthy, *Financial Management*, Margham Publications, Chennai.

### **Web Resources**

1. <https://www.managementstudyguide.com/financial-management.htm>
2. <https://www.investopedia.com/terms/c/costofcapital.asp>
3. <https://www.investopedia.com/terms/c/capitalstructure.asp>
4. <https://www.investopedia.com/terms/c/capitalbudgeting.asp>
5. <https://www.investopedia.com/terms/w/workingcapitalmanagement.asp#:~:text=Working%20capital%20management%20is%20a,liabilities%20to%20the%20best%20effect.>
6. <https://www.investopedia.com/terms/d/dividendpolicy.asp>

**Pedagogy:** Chalk & Talk, Assignments, Group Exercises, PPT,

**Rationale for Nature of Study:** Can be professionals in solving advanced problems to pursue higher studies.

### **Activities to be given**

1. Prepare comprehensive problems on Financing and Investment decisions under various situations
2. Assignment on preparation of statement of working capital requirement for both new and existing business
3. Preparing the students to appear professional courses by giving Advanced Exercise and workout problems on Finance Functions

**Name of the Course Designer:** Dr. R. Vennila, Assistant Professor

## LESSON PLAN

Unit	Course Content	Hours	Mode of Teaching
I	<b>Introduction to Financial Management and Cost of Capital</b> Definition – Scope – Objectives – Functions - Responsibility of Financial Manager	3	Chalk & Talk, PPT Exercise, Quiz
	Sources of Funds – Long term – Short term sources. Cost of Capital – Meaning – Importance	4	
	Measurement – Cost of Debenture, Preference Share, Equity Share, Retained Earnings – Weighted Average Cost.	8	
II	<b>Capital Structure</b> Capital structure – Theories of Capital Structure – Designing Optimum Capital structure - Indifference point – Financial Break Even point.	8	Chalk & Talk, Exercise, Quiz
	Leverages – Meaning – Financial Leverage – Operating Leverage – Combined Leverage.	7	
III	<b>Capital Budgeting</b> Meaning – Significances – Methods of Appraisal - Pay Back Method – Discounted Cash Flow Method	8	Chalk & Talk Exercise, Quiz
	Discounted Pay Back – Net Present Value – Profitability Index – Internal Rate of Return – Average Rate Return (ARR) – Capital Rationing	7	
IV	<b>Working Capital Management</b> Meaning – Types of Working Capital – Factors influencing Working Capital – Sources of Working Capital – Operating Cycle	5	Chalk & Talk, Exercise, Quiz
	Estimation of Working Capital.	10	
V	<b>Dividend Policy and Leverages</b> Meaning – Types of Dividend – Factors influencing Dividend Policies – Theories of Dividend Decisions	9	Chalk & Talk, Exercise, Quiz Assignment
	Irrelevance and Relevance Theory.	6	

### Course Learning Outcomes:

CLOs	On completion of the course, the students should be able to	K- Level
CLO 1	Describe the various Sources of finance and cost of capital	Up to K2
CLO 2	Develop optimum capital structure and leverages	Up to K3
CLO 3	Apply capital budgeting decisions for various investment proposals	Up to K3
CLO 4	Examine and estimate the working capital requirement	Up to K4
CLO 5	Calculate dividends under various methods	Up to K3

### Mapping of Course Learning Outcomes (CLOs) with Programme Outcomes (POs)

(CLOs)	Programme Outcomes (with Graduate Attributes)					
	PO 1 (Knowledge Base)	PO 2 (Problem Analysis & Investigation)	PO 3 (Communication Skills & Design)	PO 4 (Individual and Team Work)	PO 5 (Professionalism, Ethics and equity)	PO 6 (Life Long Learning)
CLO 1	3	3	2	2	2	3
CLO 2	3	3	3	2	3	3
CLO 3	3	3	3	2	3	3
CLO 4	3	3	3	2	3	3
CLO 5	3	3	2	2	2	3

3- Advance Application    2- Intermediate Level    1- Basic Level

### Mapping of Course Learning Outcomes (CLOs) with Programme Specific Outcomes (PSOs)

(CLOs)	Programme Specific Outcomes (with Graduate Attributes)					
	PSO 1 (Knowledge Base)	PSO 2 (Problem Analysis & Investigation)	PSO 3 (Communication Skills & Design)	PSO 4 (Individual and Team Work)	PSO 5 (Professionalism, Ethics and equity)	PSO 6 (Life Long Learning)
CLO 1	3	3	2	2	2	3
CLO 2	3	3	3	2	3	3
CLO 3	3	3	3	2	3	3
CLO 4	3	3	3	2	3	3
CLO 5	3	3	2	2	2	3

3- Advance Application    2- Intermediate Level    1- Basic Level

### Formative Examination- Blue Print

#### Articulation Mapping – K Levels with Course Learning Outcomes (CLOs)

CIA	CLOs	K- Level	Section A MCQ	Section B Short Answers	Section C (Either/Or Choice)	Section D (Open Choice)
I	CLO 1	Up to K2	2 (K1& K2)	1 (K1)	2 (K2&K2)	2(K2 & K2)
	CLO 2	Up to K3	2 (K1& K2)	2 (K2)	2 (K2&K2)	1(K3)
II	CLO 3	Up to K3	2 (K1& K2)	2 (K2)	2 (K2&K2)	1(K3)
	CLO 4	Up to K4	2 (K1& K2)	1 (K2)	2 (K3&K3)	2(K4 & K4)
No. of Questions to be asked			4	3	4	3
No. of Questions to be answered			4	3	2	2
Marks for each question			1	2	5	10
<b>Total Marks for each section</b>			<b>4</b>	<b>6</b>	<b>10</b>	<b>20</b>

### Distribution of Marks with K Level for CIA I & CIA II

CIA	K Levels	Section A (Multiple Choice Questions)	Section B (Short Answer Questions)	Section C (Either/Or Choice)	Section D (Open Choice)	Total Marks	% of (Marks without choice)	Consolidated
<b>I</b>	K1	2	2	-	--	4	6.67	<b>67%</b>
	K2	2	4	10	20	36	60.0	
	K3	-	-	10	10	20	33.33	<b>33%</b>
	<b>Marks</b>	<b>4</b>	<b>6</b>	<b>20</b>	<b>30</b>	<b>60</b>	<b>100</b>	<b>100%</b>
<b>II</b>	K1	2	-	-	--	2	3.34	<b>34%</b>
	K2	2	6	10	--	18	30.00	
	K3	-	-	10	10	20	33.33	<b>33%</b>
	K4	-	-	-	20	20	33.33	<b>33%</b>
	<b>Marks</b>	<b>4</b>	<b>6</b>	<b>20</b>	<b>30</b>	<b>60</b>	<b>100</b>	<b>100%</b>

CLO5 will be allotted for individual Assignment which carries five marks as part of CIA component.

### Summative Examination -Blue Print

#### Articulation Mapping – K Levels with Course Learning Outcomes (CLOs)

Units	CLOs	K- Level	Section A (MCQs)	Section B (Short Answers)	Section C (Either/Or Choice)	Section D (Open Choice)
1	CLO 1	Up to K2	2 (K1&K2)	1 (K1)	2 (K1&K1)	1(K2)
2	CLO 2	Up to K3	2 (K1&K2)	1 (K1)	2 (K2&K2)	1(K3)
3	CLO 3	Up to K3	2 (K1&K2)	1 (K2)	2 (K3&K3)	1(K3)
4	CLO 4	Up to K4	2 (K1&K2)	1 (K2)	2 (K4&K4)	1(K4)
5	CLO 5	Up to K3	2 (K1&K2)	1 (K2)	2 (K3&K3)	1(K3)
No. of Questions to be asked			10	5	10	5
No. of Questions to be answered			10	5	5	3
Marks for each question			1	2	5	10
<b>Total Marks for each Section</b>			<b>10</b>	<b>10</b>	<b>25</b>	<b>30</b>

### Distribution of Marks with K Level for Summative Examination

K Levels	Section A (MCQs)	Section B (Short Answers)	Section C (Either/Or Choice)	Section D (Open Choice)	Total Marks	% of (Marks without choice)	Consolidated
K1	5	4	10	-	<b>19</b>	<b>15.83</b>	<b>42%</b>
K2	5	6	10	10	<b>31</b>	<b>25.83</b>	
K3	-	-	20	30	<b>50</b>	<b>41.67</b>	<b>42%</b>
K4	-	-	10	10	<b>20</b>	<b>16.67</b>	<b>16%</b>
<b>Total</b>	<b>10</b>	<b>10</b>	<b>50</b>	<b>50</b>	<b>120</b>	<b>100</b>	<b>100%</b>

NB: Higher level of performance of the students is to be assessed by attempting higher level of K levels.