

605. FINANCIAL MANAGEMENT

1. Financial Management: Financial Goals; Profit v/s Wealth Maximization; Financial Functions-Investment, Financing, and Dividend Decisions; Financial Planning.
2. Capital Budgeting: Nature of Investment Decisions, Investment Evaluation Criteria, Payback Period, Accounting Rate of Return, Net Present Value, Internal Rate of Return Profitability Index; NPV and IRR Comparison.
3. Cost of Capital: Significance of Cost of Capital; Calculating Cost of debt; Preference Shares, Equity Capital, and Retained Earnings; Combined (Weighted) Cost of Capital. Operating and Financial Leverage: Their Measure; Effects on Profit, Analysing Alternate Financial Plans, Combined Financial and Operating Leverage.
4. Capital Structure: Theories and Determinants.
Dividend Policies: Issues in Dividend Policies; Walter's Model; Gordon' Model; M.M. Hypothesis, Forms of Dividends and Stability in Dividends, Determinants.
5. Management of Working Capital: Nature of working Capital, Significance of Working Capital, Operating Cycle and Factors Determining of Working Capital Requirements; Management of Working Capital-Cash, and Inventories.

Suggested Readings:

1. Bhalla V. K.: Modern Working Capital Management, Anmol Pub., Delhi.
2. Brigham E. F., Gapenski L. C., and Ehrhardt M.C: Financial management- Theory and Practice: Harcourt College Publishers, Singapore.
3. Khan M. Y. and Jain P. K: Financial Management, Text and Problems; Tata McGraw Hill, New Delhi.
4. Pandey I. M: Financial Management: Vikas Publishing House, New Delhi.
5. Prasanna Chandra: Financial Management Theory and Practice; Tata McGraw Hill, New Delhi.
6. Rao, Singh Rao Financial Management Apex Publishing, Udaipur.