

5312 NEW

M.Com (EAFM):

Final

9.2 Financial Management

Unit-I

Financial Management: Meaning and concept of financial management, financial goals; profit/wealth maximization limitation of financial management. Financial function, organization finance function; financial planning.

Time value of money, meaning and principle of time value of money, derivative market; participants and types of derivative market.

Unit-II

Capital Structure: Meaning and determinants, theories of capital structure, Leverage; Operating and financial leverage and their measures; effects on profits, analyzing alternate financial plan.

Capital and Capitalization: Concept, classification and theories of capitalization, over v/s under capitalization, calculation of cost of capital.

Unit III

Ratio Analysis: Meaning and definition, forms, importance, objectives and precautions, limitation, classification, calculation and interpretations of financial ratio.

Fund Flow Analysis: Concept, flows and funds, sources and uses of funds, preparation and interpretation of changes in working capital statement and statement of sources and uses of funds. Preparation of cash flow statement as per AS-3 (revised)

Unit IV

Capital Budgeting: Meaning, needs and objectives of capital budgeting, techniques of capital budgeting time and non time adjusted method

Dividend Policies : Meaning , factors determinants and type of Dividend Policies., relevance and irrelevance theory of Dividend Policies Stock Exchange- Meaning, importance and working procedure merger and acquisitions

Unit V

Management of Working Capital: nature of Working Capital, significance of Working Capital Operating cycle and factors determining working capital requirements; management of Working Capital, cash receivables and inventories.

Suggested Readings:

1. M.G.Agarwal, N.P.Agarwal and Milind Kothari: Financial Management; Ajmera Publications, Jaipur
2. M.R.Agrawal : Financial Management
- 3 . Prasanna Chandra: Financial Management-Theory and Practice; S.Chand Publications
4. Rao Singh: Financial Management; Apex Publishing House