

ADIKAVI NANNAYA UNIVERSITY
CBCS/SEMESTER SYSTEM
IV SEMESTER : BBA
W.E.F. 2015-16 ADMITTED BATCH

DSC 1D: Financial Management

Unit-I: Financial management: meaning, nature and scope of finance; financial goals: profit maximization, wealth maximization; finance functions,- investment, financing and dividend decisions. Shares and debentures, types and differences.

Unit-II: Capital budgeting: nature of investment decisions; investment evaluation criteria- net present value, internal rate of return, profitability index, payback period, accounting rate of return , NPV and IRR comparison; capital rationing; risk analysis in capital budgeting.

Unit-III: Working capital: meaning, significance and types of working capital; financing of working capital; sources of working capital; management of inventory; management of cash; management of account receivables; optimum credit policy; credit collection; factoring service; various committee reports on bank finance; dimensions of working capital management.

Unit-IV: Capital structure theories: traditional and MM hypotheses; determining capital structure in practice; Capital structure planning. Cost of capital: meaning and significance of cost of capital; calculation of cost of debt, preference capital, equity capital and retained earnings; Operating and financial leverages; measurement of leverages; effects of operating and financial leverages on profit.

Unit-V: Dividend decisions—Types of dividend- dividend models - Determinants of dividend policy - Practical aspects of dividend.

References:

1. Bhattacharya, Hrishikesh: Working Capital Management: Strategies & Techniques; PHC, New Delhi.
2. Chandra, Prasanna: Financial Management; Tata McGraw Hill, Delhi.
3. Pandey, I.M.: Financial Management, Prentice Hall of India, New Delhi.
4. Khan M.Y. and Jain P.K.: Financial Management; Tata McGraw Hill, Delhi.
5. Vanhorne, J.C.: Financial Management and Policy; Prentice Hall of India, New Delhi.
6. Ravi M Kishore: Fundamentals of Financial Management, Taxman Publications.