



Dr. V. N. Bedekar Institute of Management, Thane
Teaching Plan (MMS/PGDM)
Academic Year (2017-2018)

Programme Name: MMS / PGDM: - MMS

SECOND SEMESTER

Name of the Course: **Financial Management**

Maximum marks: 100

No. of Sessions: 13 +1=40

Name of the Faculty: Dr. Smita Jape

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Weblink:

Learning Objectives:

- 1) To study and understand the basic concepts of corporate finance and Indian Financial system and importance of corporate financial decisions
 - 2) To Study and understand to calculate the working capital requirements; analyze working capital policies and understand operating and cash cycle
 - 3) To learn to prepare pro-forma financial statements and calculate the EFR
 - 4) To study to use various evaluation techniques like NPV, IRR, PI, Payback period etc. for evaluating capital expenditure decision
 - 5) To understand the features and characteristics of various financing options and Understanding different capital structure theories and the impact of D/E ratio on EPS
 - 6) To learn to calculate DOL, DFL and DCL and design the optimal capital structure
 - 7) To understand the impact of dividend payout ratio and retention ratio on company's financial position
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1 Financial Management – M.Y. Khan and P.K. Jain

2 Financial Management – Prasanna Chandra

Reference Books

1 Financial Management – I. M. Pandey

2 Principles of Corporate Finance – Myers and Brealey

3 Fundamentals of Financial Management – James Van Horne

4 Financial Management: theory and practice – Brigham Eugene F; Ehrhardt, Michael C.



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Plan:

Session No	Topics to be covered	References- Print/Online	Learning outcomes
1	Objective of financial management Functions and decisions of financial management Indian Financial system - Functions of the financial system; Financial Assets; Financial markets; Financial intermediaries; Regulatory system	Lecture and exercises	Being First topic The overall overview of the entire curriculum and its need to study the subject is to discussed and then the concepts can be studied Ability to design the optimal capital structure
2	Capital Structure Planning and Designing capital structure based on EBIT and EPS/MPS approach Factors affecting capital structure	I.M.Pandey Example Case study Tatasons	Article about capital structure recent trends to be discussed
3	Capital Structure Planning and Leverage Analysis: Operating, financial and total Capital Structure Planning and cost of capital	Example Case of Merger Air India and Indian AirLines Lecture and exercises	Ability to calculate DOL, DFL and DCL
4	Theory of capital structure: Net income approach; Net operating income approach; MM approach; Traditional approach	WEBSITE PEARSONS PUBLICATIONS Lecture and exercises	interactive discussions Understanding different capital structure theories and the impact of D/E ratio on EPS Solving Numerical



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5	Financial performance analysis using Ratio Analysis	Lecture, exercises And assignment Brigham Houston Mayers Brealey http://www.swlearning.com/finance/brigham/ffm10e/ffm10e.html	Discussed through PPT and then the concepts can be studied Ability to analyze the financial statements of companies using ratios Solving Numerical
6	Investment (Project) identification, Capital Budgeting and Investment Decision Analysis	Lecture, exercises and case discussion Social science research Network	Ability to use various evaluation techniques like NPV, IRR, PI, payback period etc. for evaluating capital expenditure decision
7	Ability to use various evaluation techniques like NPV, IRR, PI, payback period etc. for evaluating capital expenditure decision	- Prasanna Chandra http://cacmacsclub.com/tag/prasanna-chandra-financial-management-ebook-free-download/ http://www.researchgate.net/publication/228321468_Topic_s_in_Finance_Part_VI_-_Capital_Budgeting	Numericals
8	Dividend Policy: Factors affecting dividend policy decision; Dividend decision models; Walter model; Gordon model; MM	Lecture and exercises I.M.Pandey	Understanding the impact of dividend payout ratio and retention ratio on company's financial



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	approach	Case study discussions on Coal India	position
9	Working Capital Management - Estimation and Financing Inventory Management Receivables Management Cash Management	Lecture, exercises and case discussion DABUR	Articles Recent news discussions Ability to calculate the working capital requirements; analyse working capital policies and understanding operating and cash cycle
10	Financial Planning and Forecasting Meaning and importance of financial planning Approaches to financial planning	M. Y. Khan & P. K. Jain Lecture and exercises	Ability to prepare pro-forma financial statements and calculate the External funding EFR Numericals
11	Preparation of Pro-forma Income Statement and Balance Sheet Computation of external financing requirements	Presentations and discussions Lecture and exercises	Articles Recent news discussions
12	Financial Assets; Financial markets; Financial intermediaries; Regulatory system	http://www.acadmi.com/store/store/product/696-Financial-Management	Presentations and discussions
13	Sources of Finance - Short Term and Long Term	http://thinktankebooks.com/Home http://www.pearson	Presentations and discussions



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		ed.co.in/Web/Home	
		.asr	

Evaluation:

I) Internal:

Component	Details	Marks
Class Test	Will be taken on two topics with focus on University papers	10
Presentation	Group presentations Will be taken	15
Case Study	Balance sheets of few companies	05
Participation	Through interactive sessions	10
Others		

II) External:

(Sample questions)

Q1 Case discussions on Dabur India Case study / Working capital Management of Kingfisher Airlines/ Budgets /

Q2) A machine is available for purchase of cost of Rs 8,00,000. It is expected to have a life of 5 years and have a scrap value of Rs 1,00,000 at the end of 5 years period. The machine will generate following profits over its life as under:

Year	Amount (Rs)
1	2,00,000
2	3,00,000
3	4,00,000
4	1,50,000
5	50,000

The above estimates are profits before depreciation. You are required to calculate accounting rate of return.

Q3) What is financial system? Explain the structure of financial system in India.



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Signature of Faculty

Signature of the Co-ordinator
