**Name of Teacher: Dr. Rajni**

**Course: B.Com, Semester: V**

**Year – 2021-22 Semester- July-December 2021**

**Paper BC: Fundamentals of Financial Management (core)**

**Theory + Tutorial: 5 Credit hrs. (Five Lectures) + 1 Credit**

**Subject Objectives**: To familiarize the students with the principles of financial management. To give an insight into Capital Budgeting, financing, working capital and dividend decision making.

**LESSON PLAN (for the year 2021-22)**

**(Unit-wise)**

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| **UNIT/ Lectures and Labs Required** | **TOPICS FOR STUDENT PREPARATION (INPUT)** | **PROCEDURE (Tools)** | **LEARNING OUTCOME (OUTPUT)** | **ASSESSMENT** |
| UNIT 3 : Financing Decision (18 lectures & 4 tutes) | Capital structure-Theories of capital structure (Net income (NI), Net Operating Income (NOI), MM Hypothesis, Traditional approach). Operating and Financial leverage. Factor Determining capital structure | \*Lecture and discussion  \*Problem solving with the help of black-board  \*Use of Spread sheet for estimation of components of cost of capital | \*Understanding the interdependence of Financing Decision & Capital Budgeting decision.  \*Understanding different theories of Capital Structure  \*Learning to evaluate Operating and Financial Leverage  \*Understanding the determinants of capital structure | Evaluation through test & Assignment |
| UNIT 4 : Dividend Decision (12 lectures, & 2 tutes) | Relationship between dividend and corporate Value- Walter’s model, Gordon’s model, MM theory, Cash and Stock dividend. Dividend policies in practice and determinants of dividend. | \*Lecture and discussion  \*Problem solving with the help of black-board  \*Use of Case- study Method for explaining dividend policy in practice | \*Understanding the dividend theories of relevance and irrelevance for corporate valuation- \*Applying Walter’s model, Gordon’s model, &MM theory for valuation of firm  \*Appreciating the difference between Cash and Stock dividend. \*Understanding Dividend policies in practice and determinants of dividend. | Evaluation through Assignment |
| UNIT 5 : Working Capital Decisions (15 lectures & 3 tutes) | Meaning and Nature of working capital, Operating & Cash cycles, Risk-Return trade-off, Sources of short-term finance, Working Capital Estimation, A brief overview of Cash Management, Receivables Management, Inventory management | \*Lecture and discussion  \*Problem solving with the help of black-board | \*Understanding the concept of working capital  \*Measuring Operating & Cash cycles \*Determining the role of Risk-Return trade-off in Working capital management \*Learning to calculate Gross &Net Working Capital  \*Understanding the managements of different components of WC like Cash Management, Receivables Management &Inventory management | Evaluation through Presentation |

**Suggested Readings:**

1. Khan, M.Y. and Jain, P.K. *Financial Management: Text and Problems*. Tata McGraw Hill.
2. Horne, Van, James, C., and John, Wachowicz. *Fundamentals of Financial Management*. Pearson Education.
3. Ross, Stephen A., Westerfield, Randolph, and Jaffrey, Jaffe. *Corporate Finance*. Tata McGraw Hill.
4. Singh, J.K. *Financial Management-text and problems*. Dhanpat Rai and Company, Delhi
5. Singh, Surender and Kaur, Rajeev. *Fundamentals of Financial Management*. Mayur Paperback, Delhi.
6. Rustagi, R.P., *Financial Management*. Galgotia Publishing Company, Delhi.
7. Pandey, I. M., *Financial Management.* Vikas Publications.
8. Chandra, P., *Financial Management-Theory and Practice.* Tata McGraw Hill.