

As Per NEP 2020

University of Mumbai



**Syllabus for
Basket of Major 2 (Finance)**

Ad- hoc Board of Studies in B. Com. (Management Studies)

UG Second Year Programme

Semester	III
Title of Paper	Financial Management
Credits	4
From the Academic Year	2025-26

Major 2 (Finance)
Syllabus
B.Com. (Management Studies)
(Sem.- III)

Title of Paper - Financial Management

Sr. No.	Heading	Particulars
1	Description the course: Including but not limited to:	This course provides a foundational understanding of core financial management principles. Students will learn to analyze financial decisions related to investment, financing, and dividends. Emphasis is placed on the time value of money, capital budgeting, and working capital management. The syllabus covers techniques for evaluating investment projects and managing financial risk. Students will explore the impact of capital structure and dividend policies on firm value. This course aims to equip students with practical skills for effective financial decision-making in business.
2	Vertical :	Major
3	Type :	Theory
4	Credit:	4 credits
5	Hours Allotted :	60 Hours
6	Marks Allotted:	100 Marks
7	Course Objectives: <ol style="list-style-type: none"> 1. To introduce students to the fundamental principles of financial decision-making, including the analysis of financial statements. 2. To equip students with the ability to evaluate investment projects using various capital budgeting techniques, considering risk and uncertainty, to make sound financial decisions. 3. To enable students to understand and critically evaluate the theories and practices related to corporate financing decisions, including the optimal mix of debt and equity. 4. To provide students with the knowledge and skills necessary to effectively manage a firm's short-term assets and liabilities, optimizing liquidity and profitability. 	
8	Course Outcomes: <ol style="list-style-type: none"> 1. Learners will be able to understand the fundamental principles of financial management and grasp the relationship between risk and return. 2. Learners will evaluate investment proposals using capital budgeting techniques with investment decisions and calculate the cost of capital. 3. They can Understand the different sources of finance available to businesses. And analyse the impact of capital structure on firm value. 4. Learners will be able to Manage working capital effectively to optimize liquidity and profitability and cash management strategies. 	

9	Modules: -
	Module 1: Introduction to Financial Management
	<ol style="list-style-type: none"> 1. Definition, Nature and scope of financial management, Goals of financial management profit maximization vs. wealth maximization, 2. Financial decisions: investment, financing, and dividend decisions. 3. Time value of money: present value, future value, annuities, perpetuities, 4. Risk and return concepts.
	Module 2 : Capital Budgeting
	<ol style="list-style-type: none"> 1. Definition and importance of Capital Budgeting, Capital budgeting process, Types of capital investment decision, 2. Time Value of Money: Understanding present value and future value concepts, Discounting and compounding. 3. Techniques of capital budgeting: Payback period, Accounting rate of return (ARR), Net present value (NPV), Internal rate of return (IRR). 4. Profitability Index, Risk analysis in capital budgeting, Cost of Capital.
	Module 3: Financing Decisions and Capital Structure
	<ol style="list-style-type: none"> 1. Sources of finance: equity, debt, and hybrid instrument, Cost of capital and its components. 2. Introduction to financial markets and instruments, The role of financial managers in financing decisions. 3. Capital structure theories, Calculating the cost of debt, equity, and preferred stock, Weighted average cost of capital (WACC), Factors affecting the cost of capital 4. Leverage analysis: operating, financial, and combined leverage, EBIT-EPS analysis
	Module 4: Working Capital Management
	<ol style="list-style-type: none"> 1. Definition and importance of working capital, Components of working capital, working capital cycle 2. Cash Management: Cash flow forecasting, Cash budgeting, Techniques for optimizing cash balances, Short-term investment strategies. 3. Inventory Management: Types of inventories, Inventory control techniques - EOQ, ABC analysis, Inventory valuation methods. 4. Receivables management: Credit policy, Collection procedures, Dividend policies and factors affecting dividend decisions, Working Capital Policies and Strategies.

10	Reference Books: <ul style="list-style-type: none"> • Ross, S. A., Westerfield, R. W., & Jaffe, J. (2019). <i>Corporate finance (12th ed.)</i>. McGraw-Hill Education. • Pandey., I.M. (2021). Financial Management • Eugene F. Brigham and Joel F. Houston. (2020). Fundamentals of Financial Management. • Khan, M. Y. (2018). Financial management: Text. McGraw Hill Education (India) Private Limited. 	
11	Internal Continuous Assessment: 40%	External, Semester End Examination Individual Passing in Internal and External Examination : 60%
12	Continuous Evaluation through: Quizzes, Class Tests, presentation, project, role play, creative writing, assignment etc. (at least 3)	