



AMITY UNIVERSITY UTTAR PRADESH

FORMAT FOR COURSE CURRICULUM

Annexure 'CD – 01'

Course Title: Financial Management

Credit Units: 3

L	T	P/S	SW/FW	No. of PSDA	TOTAL CREDIT UNITS
3	0	0	0	2	3

Course Level: PG

Course Code: FIBA601

Course Objectives:

- Familiarizing the students with the financial environment of business, especially the financial markets
- Imbibing knowledge about the decisions and decision variables involved in building the liability side of balance sheet of the firm
- Developing the analytical skills by associating the tools and techniques for evaluating capital projects
- Developing skills for interpretation business information and application of financial theory in financing related decisions

Pre-requisites: The participants must have basis understanding of Financial Accounting.

Course Contents/Syllabus:

	Weightage (%)
Module I Introduction	20%
Descriptors/Topics A Framework for Financial Decision-Making- Financial Environment, Introduction to Financial Markets and Financial Instruments Changing Role of Finance Managers, Objectives of the firm, Time Value of Money, and Risk- Return Analysis	
Module II Financing Decision	30%
Descriptors/Topics Leverage Analysis (EBIT-EPS analysis) and Computation of Cost of Capital (WACC & WMCC), Capital Structure Theories- Net Income Approach, Net operating Income Approach, Traditional approach & Modigliani Miller Model, Trade off Models, pecking order theory. Factors determining the optimum capital Structure.	
Module III Investing Decisions – Capital Budgeting and Working Capital Management	25%
Descriptors/Topics Capital Budgeting – Estimation of Cash Flows, Criteria for Capital Budgeting Decisions Pay back, ARR, Discounted. Payback NPV, IRR, PI, Issues Involved in Capital Budgeting, Risk analysis in Capital Budgeting – An Introduction	

Working Capital Management – Factors Influencing Working Capital Policy, Operating Cycle Analysis, Management of Inventory, Management of Receivables, Management of Cash and Marketable Securities, Financing of Working Capital.	
Module IV Dividend Decision	15%
Descriptors/Topics Introduction, Factors determining dividend policy, and types of dividend. Theories of Dividend Decisions- MM Hypothesis, Walter Model, Gordon Model. Forms of Dividends- cash dividend, Bonus shares, stock split. Dividend policies in practice.	
Module V Valuations Concepts	10%
Descriptors/Topics ROI, Economic Value Added, Market Value Added, Shareholders Value Creation	

Course Learning Outcomes:

- **Student will be able to remember the various financial decisions taken for wealth creation.**
- **Students will be able to identify the variable associated with the Financial Environment, Financial System and Financial Decisions**
- **Students will be able to analyze the various sources of finance and their optimum allocation.**
- **Students will be able to apply their understanding in assessing the rationale behind the Retention and payout.**
- **Students will be able integrate different financial decisions in value creation process.**
- **Students will be able to create different scenarios while evaluating the Capital Budgeting projects**

Pedagogy for Course Delivery:

Lectures will be delivered, and case studies method of teaching will be used for real world understanding of the topics.

List of Professional Skill Development Activities (PSDA)

- 1. Research Paper on Factors determining dividend policy, and types of dividend. [Module -Theories of Dividend Decisions- MM Hypothesis, Walter Model, Gordon Model.] OR**
- 2. A visit to any company depending upon feasibility to study to understand appropriate financial strategies adopted and their success stories. OR**
- 3. Analysing the impact of Dividend declaration on Market price of the shares of a selective company OR**
- 4. Determinants of Capital Structure and its impact on the Shareholders Earnings OR**
- 5. Valuation of Firm based on Discounted cash flow Model and Dividend Discount Model.**

Theory Assessment (L&T):

Components (Drop down)	Quiz [5]	Home Assignment [10]	Mid Term Exam [15]	Research Project on PSDA Activity [15]	Attendance [5]	End Term Examination [50%]
Linkage of PSDA with Internal Assessment Component, if any	NA	Yes	NA	Yes	NA	NA
Weightage (%)	5%	10%	15%	15%	5%	50%

Mapping Continuous Evaluation components/PSDA with CLOs

Bloom's Level >	Remembering	Understanding	Applying	Analysing	Evaluating	Creating
Course Learning Outcomes	CLO1	CLO2	CLO3	CLO4	CLO5	CLO 6
Assessment type/PSDA						
• Quiz	✓	✓	✓			
• Home Assignment		✓	✓	✓	✓	✓
• Midterm Test	✓	✓	✓	✓		
• Research Project		✓	✓	✓	✓	

Text Reading:

- Van Horne, J.C. 2012, **Financial Management and Policy, 12th Ed., Prentice Hall of India**
- Pandey, I.M. 2013, **Financial Management, 10th Ed., Vikas Publishing House**
- Khan & Jain. 2018, **Financial Management: Text, Problems and Cases, 8th Ed., McGraw Hill Education**

References:

- **Damodaran, A. 2012, Corporate Finance: Theory and Practice, 2nd Ed., Wiley & Sons..**
- **Brearily, R. A. and Myers, S. C. 2006, Principles of Corporate Finance, 8th Ed., Tata McGraw Hill**
- **Rustagi, R.P. 2012, Financial Management: Theory, Concepts and Problems, Galgotia Publishing Company.**

Additional Reading:

- **Mint Newspaper**
- **Musings on Markets, Prof. Aswath Damodaran's blog**
- **"Onward" by Howard Schultz**
- **Finance Sense, by Prasanna Chandra, McGraw Hill Education**

Any other Study Material:

- **Money Stuff:** <https://link.mail.bloombergbusiness.com/public> [best-known finance newsletters]
- **ET Prime**