



**PARVATHANENI BRAHMAYYA
SIDDHARTHA COLLEGE OF ARTS & SCIENCE**
Autonomous
Siddhartha Nagar, Vijayawada-520010
Re-accredited at 'A+' by the NAAC

22ANL 202: Financial Management

Subject Code:	22 ANL 202	C I A Marks	30
No. of Lecture Hours / Week	05	End Exam Marks	70
Total Number of Lecture Hours	75	Total Marks	100
Practical Component	01 Hour/Week	Exam Hours	03
Course Focus	Employability	Entrepreneurship	Skill Development

Course Outcomes	
By the end of the course, students will be able to:	
CO 1	Provide an understanding and perspective on financial management functions and the time value of money in the organization. PO1, PO7
CO 2	Develop knowledge of financial management problems and increase the ability to handle the problems through a reliable approach using leverages. PO1, PO7
CO 3	Develop knowledge of the formation of capital structure and understand the impact of dividend decisions on the value of the firm. PO1, PO2, PO6
CO 4	Develop planning and monitoring skills in working capital management, so the students can apply the appropriate management strategy to face the company challenges. PO6, PO7
CO 5	Evaluate and assess the financial performance, health, and stability of a company or investment by using financial metrics. PO1, PO2, PO7

Contribution of Course Outcomes towards Achievement of Program Outcomes & Strength of correlations (3-High, 2-Medium, 1-Low,0-Nil)								
22 ANL 202		PO1	PO2	PO3	PO4	PO5	PO6	PO7
	CO1	3						2
	CO2	3						2
	CO3	2	3				1	
	CO4						2	3
	CO5	1	2					3

Units	Syllabus	No of Hours
UNIT-I	Fundamentals of Financial Management: Conceptual Overview, Scope, Functions, Roles, Goals - Changing Role of Finance Managers -Time value for money -Present Value - Risk and Return – Profit maximization Vs. Wealth Maximization (Theory only).	15
UNIT-II	Financing Decisions: Types of Financial Leverages-Cost of Capital -Measurement of Specific Costs of Capital: Cost of Equity, Cost of Retained Earnings, Cost of Preference Share Capital, Cost of Debt Capital - Weighted Average Cost of Capital (Theory and	15

	Problems).	
UNIT-III	Capital Structure & Dividend Decisions: Determinants of Capital Structure, and Optimum Capital Structure - Capital Structure theories: Traditional, NI, NOI and MM Theories <i>-Management of Profits:</i> Dividend Policy and Dividend Theories. (Theory and Problems)	15
UNIT- IV	Working Capital Management Decisions: Meaning, Significance, Types of Working Capital, Determinants of Working Capital, and Methods of Measuring Working Capital Requirements (Problems) - Operating cycle - Management of Cash, Receivables, and Inventory. (Theory)	15
UNIT-V	Financial Analytics: Financial Metrics: Earnings before interest and taxes (EBIT) Economic value added (EVA), Contribution margin, Liquidity ratio, Interest cover, Days in accounts receivables, Net cash flow ratio, Gross profit margin, Transactions error rate. Return Metrics: Return on Investment (ROI), Annualized Return, Total Return Risk Metrics: Alpha, Beta, Standard Deviation, Sharpe Ratio, Income Metrics: Dividend Yield, Interest Coverage Ratio, Valuation Metrics: Price-to-Earnings (P/E) Ratio, Price-to-Book (P/B) Ratio, Dividend Payout Ratio (Formulas and Practical application in MS Excel)	15
	Case Study from II, III & IV Units	
Practical Component: List of Experiments		
<ul style="list-style-type: none"> • Financial Statement Analysis: Analysis of Balance Sheet and Income Statement • Time value of Money: Present value (Single and Multiple Cash flows) Future Value (Single and Multiple Cash flows) • Capital Budgeting Analysis: Net Present Value, Internal Rate of Return, Cost of Capital, Cost Equity, Cost of Debt <p><i>The experiments above will be executed in Excel or Spreadsheets for the practical orientation.</i></p>		
Suggested Readings:		
<ol style="list-style-type: none"> 1. Pandey I M. Financial Management, 11th Edition (2015) Vikas Publishing House Pvt. Ltd. 2. Khan M Y and Jain P. K., Basic Financial Management: Text and Problems, 2nd Edition (2005) Tata McGraw Hill. 3. Christian Gourieroux & Joann Jasiak (2002), “Financial Econometrics: Problems, Models, and Methods”, Princeton University Press, ISBN: 9780691088723 4. Duffie, D. and Singleton, K.J (2003), “Credit Risk: Pricing, Measurement, and Management”, Princeton University Press, ISBN: 9780691090467 5. Cairns, A.J. G (2004), “Interest Rate Models: An Introduction”, Princeton University Press, ISBN: 9780691118949 6. Prasanna Chandra, Financial Management - Theory and Practice, 10th Edition (2019) Tata McGraw Hill. 7. James C. Van Horne, Financial Management and Policy, 6th Edition (2009) Prentice Hall of India. 8. Chandra Bose D., Fundamentals of Financial Management, 2nd Edition (2006) Prentice Hall of India. 		