



| Code | Subject Title | Cr. Hrs | Semester |
|----------|---------------------------------|---------|----------|
| COMM-306 | Financial Management (Commerce) | 3 | VI |
| Year | Discipline | | |
| 3 | Commerce | | |

Financial Management

1. Introduction to business finance/financial management
2. Business finance and goal of a business firm, agency problem, corporate governance, corporate social responsibility
3. Role of finance manager in a business firm
4. Financial environment and financial markets
5. Financial intermediaries, financial brokers,
6. Allocation of funds in the economy and interest rate fundamentals
7. Financial planning, forecasting, and budgeting-preparation of cash budget and budgeted financial statements
8. Financial statements analysis-ratio analysis, common size analysis(vertical analysis), comparative analysis, trend analysis and index analysis(horizontal analysis)
9. Cash flows and preparation of statement of cash flows
10. Time value of money/mathematics of finance-simple interest and compound interest concepts, time line, compounding and discounting, future value and present value concepts, single amount, annuity, mixed stream, and perpetuity concepts, nominal and effective interest rates, amortizing loan, deposits to accumulate some future sum
11. Overview of working capital management-cash and marketable securities management, accounts receivable and inventory management, accounts payable management in a business firm
12. Valuation of financial assets (long term securities)-bonds, preferred stock and common stock, yield/return on financial assets

Books Recommended (Latest editions)

- a. Van Horne J.C., Fundamentals of financial management
- b. Gitman L.J., Principals of managerial finance
- c. Campsey B.J., Brigham Eugene F., Introduction to financial management
- d. Khan M Y, Jhain P K, Financial management
- e. Keown Arthur J, Scott David F., Martin John D, Basic financial management
- f. Rao, Introduction to financial management