

Name of the course	Financial Management- I
Course Code	208
Semester	IV
Credit Hours	3
Prerequisite	-
Learning outcomes	On completion of this course, the students will be able to: <ol style="list-style-type: none"> 1. Explain the role and purpose of financial management 2. Evaluate the overall management of working capital 3. Assess appropriate sources of finance for particular situations
Contents	<p>Unit-1 Role of Financial Management</p> <ol style="list-style-type: none"> 1.1 What is financial management 1.2 Functions of financial manager 1.3 Financial institutions and markets 1.4 Goal of the firm 1.5 Agency issues <p>Unit-2 The Time Value of Money</p> <ol style="list-style-type: none"> 2.1 Role of time value in finance 2.2 Simple and compound interest 2.3 Present and future value of single amounts 2.4 Types of annuities 2.4 Present and future value of ordinary annuity 2.5 Present and future value of annuity due 2.6 Present value of perpetuity 2.7 Compounding more than annually 2.8 Continuous compounding 2.9 Nominal and effective annual rates of interest 2.10 Loan amortization 2.11 Sinking funds <p>Unit-3 The Valuation of Long-Term Securities</p> <ol style="list-style-type: none"> 3.1 Basic valuation model 3.2 Bond valuation: bond fundamentals, valuation model, yield to maturity 3.3 Preferred stock valuation: features of preferred stock, valuation model 3.4 Common stock valuation: features of common stock, three valuation models <p>Unit-4 Financial Statement Analysis</p> <ol style="list-style-type: none"> 4.1 Four key financial statements 4.2 Trend analysis of balance sheet and income statement

	4.3	Common size analysis of balance sheet and income statement
	4.4	Ratio analysis of balance sheet and income statement
	4.4	Liquidity ratios, activity ratios, debt ratios, profitability ratios and market ratios
	4.5	Complete ratio analysis
Unit-5		Funds Analysis, Cash-Flow Analysis, and Financial Planning
	5.1	Operating cash flows
	5.2	Investing cash flows
	5.3	Financing cash flows
	5.4	Classification of an item as operating, investing or financing cash flow
	5.5	Computation and interpretation of statement of cash flows using direct and indirect method
Unit-6		Risk and Return
	6.1	Stand Alone Risk
	6.2	The Trade Off between Risk and Return
	6.3	Risk in a Portfolio Context
	6.4	The Relationship between Risk and Rates of Return
	6.5	Physical Assets versus Securities
	6.6	Some Concerns about Beta and the CAMP
	6.7	Volatility Versus Risk
	6.8	Calculate component cost of debt
	6.9	Calculate component cost of preferred stock
	6.10	Calculate component cost of common stock
	6.11	Calculate the weighted average cost of capital
Unit-7		Capital Budgeting and Estimating Cash Flows
	7.1	Capital budgeting decision process
	7.2	Relevant cash flows
	7.3	Finding initial investment
	7.4	Finding the operating cash flows
	7.5	Finding the terminal cash flows
Unit-8		Capital Budgeting Techniques
	8.1	Capital budgeting techniques
	8.2	Payback period
	8.3	Net Present Value
	8.4	Internal Rate of Return
	8.5	Profitability Index
	8.6	Comparing the techniques and project evaluation
	8.7	Breakeven analysis
Unit-9		Operating and Financial Leverage
	9.1	Operating leverage, financial leverage and total leverage
Unit-10		Overview of Working Capital Management
	10.1	The firm's capital structure
	10.2	EBIT-EPS approach to capital structure
	10.3	Choosing the optimal capital structure
	10.4	Net working capital fundamentals
	10.5	Calculating and interpreting the cash conversion cycle

	<p>10.6 Strategies for managing cash conversion cycle</p> <p>Unit-11 Cash and Marketable Securities Management</p> <p>11.1 Cash Management</p> <p>11.2 The Cash Budget</p> <p>11.3 Cash Management Techniques</p> <p>11.4 Marketable Securities</p> <p>Unit-12 Accounts Receivable and Inventory Management</p> <p>12.1 Inventory management: common techniques for managing inventories</p> <p>12.2 Accounts Receivable management: credit selection, credit terms and credit monitoring</p>
Teaching & Learning Strategies	A combination of lecturing, presentations, and discussions will be used to conduct the course. Students will be expected to read extensively ahead of each class session and actively participate in discussions and practical work.
Assignment	Written assignment (10 marks), presentation (5 marks) and Quiz (10 marks)
Suggested Readings	<p>Block, S. B., Hirt, G. A., & Danielsen, B. R. (2014). <i>Foundations of financial management</i>. McGraw-Hill Education.</p> <p>Brealey, R. A., Myers, S. C., & Marcus, A. J. (2012). <i>Fundamentals of corporate finance</i>. McGraw-Hill.</p> <p>Brigham, E. F., & Ehrhardt, M. C. (2013). <i>Financial management: Theory & practice</i>. Cengage Learning.</p> <p>Gitman, L. J., & Zutter, C. J. (2017). <i>Principles of managerial finance</i> (13th ed.). Pearson.</p> <p>Gitman, L. J., Juchau, R., & Flanagan, J. (2015). <i>Principles of managerial finance</i>. Pearson Higher Education.</p> <p>Van Horne, J. C., & Wachowicz, J. M. (2012). <i>Fundamentals of financial management</i>. Prentice Hall International.</p>

Assessment and Examinations

Sr. #	Elements	Weightage	Details
1	Midterm Assessment	35%	Written test (at the mid-point of the semester)
2	Formative Assessment	25%	Assignment, presentation and quiz
3	Final Assessment	40%	Written test (at the end of the semester)