

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY ANANTAPUR**  
**MBA II Semester**

<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>

**(17E00204) FINANCIAL MANAGEMENT**

The objective of the course is to provide the necessary basic tools for the students so as to manage the finance function. The students should be able to understand the management of the financing of working capital needs and the long term capital needs of the business organization

**\* Standard Discounting Table and Annuity tables shall be allowed in the examination**

**1. The Finance function:** Nature and Scope. Importance of Finance function – The role in the contemporary scenario – Goals of Finance function; Profit Vs Wealth maximization .

**2. The Investment Decision:** Investment decision process – Project generation, Project evaluation, Project selection and Project implementation. Capital Budgeting methods– Traditional and DCF methods. The NPV Vs IRR Debate.

**3. The Financing Decision:** Sources of Finance – A brief survey of financial instruments. The Capital Structure Decision in practice: EBIT-EPS analysis. Cost of Capital: The concept, Measurement of cost of capital – Component Costs and Weighted Average Cost. The Dividend Decision: Major forms of Dividends

**4. Introduction to Working Capital:** Concepts and Characteristics of Working Capital, Factors determining the Working Capital, Working Capital cycle- Management of Current Assets – Cash, Receivables and Inventory, Financing Current Assets

**5. Corporate Restructures:** Corporate Mergers and Acquisitions and Take-overs-Types of Mergers, Motives for mergers, Principles of Corporate Governance.

**Textbooks:**

- Financial management –V.K.Bhalla ,S.Chand
- Financial Management, I.M. Pandey, Vikas Publishers.
- Financial Management--Text and Problems, MY Khan and PK Jain, Tata McGraw- Hill

**References**

- Financial Management , Dr.V.R.Palanivelu , S.Chand
- Principles of Corporate Finance, Richard A Brealey etal., Tata McGraw Hill.
- Fundamentals of Financial Management, Chandra Bose D, PHI
- Financial Managemen , William R.Lasheir ,Cengage.
- Financial Management – Text and cases, Bringham & Ehrhardt, Cengage.
- Case Studies in Finance, Bruner.R.F, Tata McGraw Hill, New Delhi.
- Financial management , Dr.M.K.Rastogi ,Laxmi Publications