

Amrita Vishwa Vidyapeetham
Department of Management, Kochi
MBA 2017-2019 BATCH

FINANCIAL MANAGEMENT (FI203C)

A. Course Objectives

Finance is all about handling money. In the modern world, virtually every organisation, public and private runs on money. That includes families, businesses, governments and non-profit enterprises. Financial Management, the management of money, is behind almost anything that we see each day.

WHY STUDY FINANCIAL MANAGEMENT?

There are several reasons why it is worthwhile:

- ☒ Finance is a challenging, dynamic profession. Most big corporate transactions like mergers, acquisitions, spinoffs, expansions etc are orchestrated by firms' Chief Financial Officers. Without a good knowledge of Corporate Finance, it is unlikely that you would be involved in such fascinating transactions.
- ☒ Finance has taken on even greater strategic focus, as managers cope with how to create value in an ever changing environment.
- ☒ Proper utilisation of resources, balancing various stakeholder claims, information effects and financial signaling, the globalisation of finance, regulatory and tax law changes and a host of other considerations now permeate the landscape of financial decision making.
- ☒ The common thread running through decisions taken by managers in diverse functional areas is Finance. As such decisions have financial implications and are aimed at increasing the value of the organisation to its various stakeholders.

This course on Financial Management introduces the concepts, tools and applications of Finance in today's corporates. It intends to enable students beginning their study of Finance to get a feel of the subject, appreciate it, and understand its application in various decision making situations. The student is expected to have a strong foundation in the principles of Finance at the end of the course.

B. Course Contents

1. Introduction to Finance and the Indian Financial System
2. Financial Statement Analysis
3. Financial Forecasting
4. Concepts in Valuation
5. Sources of Long Term Finance and Cost of Capital
6. Capital Expenditure Decisions
7. Overview of Working Capital Management

C. Teaching Method

The course will be delivered through lecture sessions, supplemented by demonstration exercises and case studies to help the students in understanding the basic concepts and their application in decision making.

D. Expectation from students

Students should appreciate the fact that this is the basic course which prepares them for all subsequent courses in the area of Finance. As such, they are expected to acquire an above average understanding of the topics covered, which calls for a lot of SYSTEMATIC and dedicated effort. In order to aid this, students should come prepared to class after a thorough reading of the material indicated in the session wise plan. Students are also expected to read at least one business newspaper daily as it is this exercise which will help them understand how Corporate Finance is actively practiced.

Students should attend classes regularly. Prior permission is required for absenting classes.

Assignments which are submitted late will not be evaluated.

F. Session Wise Plan

Sl No.	Topic	Chapters	Sessions
1.	Introduction to Financial Management and the Indian Financial System	1, 2, 3	1, 2
2.	Analysis of Financial Statements: Ratio Analysis & Applications	4	3, 4

	Funds Flow Analysis	Handout	5
3.	Analysis of Leverages	Handout	6, 7
4.	Financial Planning and Forecasting	5	8, 9
5.	Time Value of Money	6	10, 11
6.	Valuation of Securities	7	12, 13
7.	Concepts of Risk and Return	8	14, 15
8.	Sources of Long Term Finance and Cost of Capital		17, 18, 14 16, 17, 18
9.	Capital Budgeting	11, 12	19, 20, 21
10.	Overview of Working Capital Management		22, 23, 24

G. Course Material

Prescribed Text Book: Financial Management - Theory and Practice by Prasanna Chandra, Tata McGraw Hill

Reference Books

1. Financial Management and Policy by James C. Vanhorne, Prentice Hall of India
2. Principles of Corporate Finance by Richard A Brealey/Stewart C. Myers, Mc Graw Hill
3. Fundamentals of financial management; by Eugene F Brigham and Joel F Houston, South Western.
4. Corporate finance: Theory and Practice, by Aswath Damodaran.- Wiley India
5. Fundamentals of corporate finance; by Stephen A Ross, Randolph W Westerfield and Bradford D Jordan., Tata McGraw Hill
6. Financial Management by IM Pandey, Vikas Publishing House Pvt. Ltd.
7. Principles of managerial finance; Ed 11 by Lawrence J Gitman., Pearson Education
Course Instructor: Sunanda Muralidharan
Chairperson, Kochi Campus