



**Swami Ramanand Teerth
Marathwada University,
Vishnupuri Nanded 431606**

Centre For External Education

M.Com. (External Mode)

Second Year

SYLLABUS 2023-24

Financial Management

MC-09

Unit I: Introduction to Financial Management: Introduction, Definitions, Finance Functions, goals of financial management, organization setup for finance-treasurer and controller, financial planning- importance and objectives.

Unit II: Capitalization and Capital Budgeting: Capitalization - meaning, definition, need, fair capitalization, over capitalization-definition, causes, disadvantages and remedies, Undercapitalization – meaning, definition, causes, disadvantages and remedies. Capital Budgeting – introduction, definition, process, significance and methods of evaluating capital investment proposals, numericals on various methods of evaluating capital investment proposals.

Unit III: Working Capital Management: Definition, significance, operating cycle, factors affecting working capital requirements, management of inventory – definition, types of inventory, motives for holding inventory, factors determining the optimum level of investment in inventory, EOQ – concept and measurement, management of cash- motives for holding cash, objectives of cash management and cash control reports, management of receivables – meaning, purpose of managing receivables, factors affecting the size of receivables and policies for managing receivables.

Unit IV: Leverage: Meaning, definition, types, operating leverage, financial leverage, combined leverage, numericals on operating leverage, financial leverage, combined leverage.

Suggested Readings:

- Financial Management (Text, problems & cases) – M.Y.Khan& P.K.Jain -Tata McGraw Hill-5th Edition.
- Financial Management (Theory & Practice) – Prasanna Chandra- Tata McGraw Hill- 7th Edition. Financial Management (Principles & practice) –Dr. S.N. Maheshwari-Sultan Chand & Sons-13th Edition.
- Financial Management – I. M. Pandey- Vikas Publishing House Pvt.Ltd.- 9th Edition.
- Financial Management (A Conceptual Approach)-P.V.Kulkarni& B.G.Satyaprasad-Himalaya Publishing House-13th Edition.