

LESSON PLAN HOURLY WISE

Subject Name: FINANCIAL MANAGEMENT

Lecture hours: 60

Objective: To facilitate students on understanding and implementing a set of principles and practices of managing finance. The classes will enable students to deal with fundamental issues of managing finance, raising funds, investing them judiciously of profits, including dividends to shareholders.

Sl. No	UNIT & OBJECTIVES	No. of Lecture Hours	Methodology/Instructional techniques	Evaluation/learning confirmation
UNIT I	INTRODUCTION TO FINANCIAL MANAGEMENT (FM)	6		
1.	Introduction to FM, departments in an organization, 7 M's of management, financial decisions, aims & goals of FM, organization structure of finance function, role of finance manager	3	Lecture and guided inquiry	Question and Answer
2.	Financial planning, meaning & objectives, steps in financial planning process, principles of a sound financial plan, factors affecting a financial plan, limitations of financial plan	3	Lecture and class discussion	Question and Answer
UNIT II	TIME VALUE OF MONEY	6		
1.	Introduction, concept of time value of money, list out reasons for time performance of money, computation of future value of single amount uneven flow, even flow, calculation of compound growth rate, present values, determining doubling period of an investment	3	Lecture and illustrations	Homework questions
2.	Valuation of bonds and shares, need to learn valuations, different concepts of value, inputs required for valuation, basic asset valuation model, determine value of bonds & debentures, preference stock valuation, determine value of equity stock	3	Lecture, group work and illustrations	Homework questions

UNIT III	FINANCING DECISIONS AND INVESTMENT DECISIONS	20		
1.	Capital structure meaning, factors affecting capital structure, optimum capital structure, features of an appropriate capital structure, it's forms, importance of EBIT-EPS, point of difference, meaning & types of leverages, calculations of operating leverage, BEQ, financial leverage, impact on EPS, combination of both operating and financial leverage	8	Lecture illustrations and problems	Question and Answer
2.	Nature of fixed assets, meaning & significance of capital budgeting, difficulties involved in capital budgeting decisions, kinds of capital budgeting decisions, it's process, calculations of payback period, ARR, NPV, IRR, PI, cash flow statements, techniques of capital budgeting – it's merits and demerits of all the techniques	12	Lecture illustrations and problems	Question and Answer
	1 st CIA to be discussed with college management.			
UNIT IV	DIVIDEND DECISIONS	4		
1.	Meaning of dividend, dividend policy (DP), managing profits, types of DP – its merits & demerits, factors affecting firm's dividend policy, forms of dividend payments.	4	Lecture and illustrations	Question and Answer
UNIT V	WORKING CAPITAL MANAGEMENT	19		
1.	Meaning of working capital, concepts, kinds, components, objectives, consequences of excess & inadequate working capital, factors affecting working capital, estimation of working capital, ways & approaches of financing current assets	3	Lecture and class discussion	Question and Answer
2.	Cash management – motive of holding cash, objectives of cash management, aspects, factors, meaning of cash budget – purpose, procedure, and types of cash forecasting, strategies for accelerating cash inflows, slowing down payments, and investment avenues for investing surplus cash.	3	Lecture, class discussion and illustrations	Question and Answer, Class work

	2 nd CIA – tests & assignments to be discussed with college management.			
3.	Receivables management – meaning, objective, benefits, modes of payment, factors affecting size of investment in receivables, credit policy – merits & demerits, credit policy variables, aspects of receivables management, steps involved in credit evaluation.	3	Lecture, illustrations and problems to be solved	Problems to be solved
4.	Inventory management – meaning, components, objectives, need for balanced investment in inventory, costs of holding inventory, risks, benefits, tools – ABC analysis, EOQ, order point, other tools	4	Lecture and illustrations	Question and Answer
5.	Sources of working capital – short term financing, benefits & costs of trade credit, commercial paper, different modes of bank finance, types of letter of credit, factoring – meaning, mechanics, costs & benefits, long term sources of working capital	6	Lecture	Question and Answer
	Skill development : a. Capital structure analysis of companies in different industries. b. Prepare debtors ageing analysis with imaginary figures.	5		

Prepared By:

Hurma AK

Approved By: