

ST. JOSEPH'S COLLEGE OF COMMERCE
(AUTONOMOUS)

LESSON PLAN- 2018-2019

B.com Travel and Tourism – 3rd Semester

Subject Name: Financial Management.

Lecture Hours : 60

Prepared by : Dr. Suganthi Pais

LECTURE HOURS: 60

Objective: To give an insight into investment, financing and dividend decision making and composition of different securities in the total capital structure.

Sl. No	UNIT & OBJECTIVES	No. of Lecture Hours	Methodology/ Instructional techniques	Evaluation/ learning confirmation
MODULE1	FINANCIAL MANAGEMENT: To understand the importance of: <ul style="list-style-type: none">• Financial management and its functions.• Goals of Financial Management• Financial Decisions	4	Lecture with the help of power Point presentation/ Discussion	Evaluation through MCQs

1.	Introduction of the subject, Meaning and scope of FM. Allotment of Group activities	1	Lecture and Discussion	-
2.	Objectives of FM- Profit and Wealth Maximization/ Time Value of Money.	2	Lecture and Illustrations	Question and Answer
3.	Finance Decisions and Functions of FM.	1	Lecture and Illustrations	Question and Answer
MODULE 2	FINANCING DECISIONS-COST OF CAPITAL: To understand the significance of cost of capital to the firm and to calculate <ul style="list-style-type: none"> • Cost of Specific sources of capital • Weighted Average Cost of Capital 	12		
1.	Sources of Capital and significance of cost of each source of capital to the firm.	1	Lecture	Question and Answer
2.	Computation of Cost of Capital: Cost of Debt, Cost of Preference Shares, Cost of Equity Shares and Cost of Retained earnings	7	Lecture and Problems/ Case Study Analysis	Question and Answer
3.	WACC – book value and Market value and WMCC	4	Lecture and Problems	Question and Answer
MODULE 3	FINANCING DECISIONS-CAPITAL STRUCTURE: To understand the meaning and importance of optimal capital structure and leverages. To calculate different types of leverages and determine their effect on EPS	10		
1.	Meaning of Capitalization, difference between capitalization, capital structure and financial structure. Optimum capital structure and factors affecting it.	3	Lecture and Illustrations	Question and Answer
2.	Introduction to Leverages (Business risk and Finance risk) and types of Leverages (Financial, operating and Combined Leverages). Problems on Leverages, Degree of leverages and Point of indifference.	7	Lecture and Problem Solving/ Case Study Analysis	Question and Answer
MODULE	INVESTMENT DECISIONS: To understand the	16		

4	significance of capital budgeting and its process and to evaluate and select projects using different methods of capital budgeting.			
1.	Capital Budgeting – meaning, significance and process	2	Lecture	Question and Answer
2.	Payback period – concept and problems, Discounted PBP and Post PBP profitability	3	Lecture and Problems/ Case Study Analysis	Question and Answer
3.	Accounting Rate of return - concept and problems	2	Lecture and Problems/ Case Study Analysis	Question and Answer
4.	Net Present Value - concept and problems	4	Lecture and Problems/ CASE STUDY ANALYSIS	Question and Answer
5.	Internal Rate of return – Constant and Fluctuating cash Flows	4	Lecture and Problems/ Case Study Analysis	Question and Answer
6.	Profitability Index – concept and problems, Capital Rationing – Concept only	1	Lecture and Problems	Illustrations
MODULE 5	DIVIDEND DECISIONS: To understand the impact of dividend distribution on the price of the shares through relevance and irrelevance theories.	8		
1.	Meaning, factors influencing dividend policies and Forms of dividend	4	Lecture and Illustrations/ Case Study Analysis	Question and Answer
2.	Relevance theory – Walter’s and Gordon’s dividend Model, Irrelevance theory – MM theory	4	Lecture. Study dividend declared by different MNCs for the last 5 years	Question and Answer
MODULE 6	WORKING CAPITAL MANAGEMENT: To understand the components of working capital and to assess the working capital requirements	10		

	of companies.			
1.	Working Capital Management, Circulating capital, Components of WCM, factors affecting WCM, Profitability vs. Liquidity trade-off, Working Capital requirement - Problems	3	Lecture and Illustrations. Analyze working capital of different industries.	Question and Answer
2.	Cash Management	2	Lecture and Problems/ Case Study Analysis	Question and Answer
3.	Receivables Management	2	Lecture and Problems/ Case Study Analysis	Question and Answer
4.	Inventory Management	3	Lecture and Problems/ Case Study Analysis	Question and Answer

CIA Tentative Dates

CIA I – July 3rd to 7th

CIA II – July 31st to August 4th

CIA III –September 1st to 4th

BOOKS FOR REFERENCE:

1. **I.M Pandey:** Financial Management, Vikas Publishers, New Delhi.
 2. **James C. Vanhorne:** Financial Management. v Khan & Jain: Financial Management, Tata Mcgraw Hill, New Delhi.
 3. **P. N. Reddy & Appanaiah:** Financial Management, Himalaya Publishers, Bombay.
 4. **Prasanna Chandra:** Financial Management, Tata McGraw Hill, New Delhi.
 5. **S. N. Dorai Raj:** Financial Management, Kalyani Publishers, New Delhi.
 6. **S. N. Maheswari:** Financial Management, Sulchand & Co., New Delhi.
 7. **Sharma & Sashi Gupta:** Financial Management.
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