

## Semester VI

### Paper I

B.COM.LL.B.: Semester-VI BCL 601: Financial Management	
Teaching Scheme	Examination Scheme
Lectures: 4hrs/Week	Class Test -12 Marks
Tutorials: 1 hr/Week	Teachers Assessment - 6 Marks
Credits: 5	Attendance - 12 Marks
	End Semester Exam - 70 marks

CO Number	CO Statement
CO1	explain the nature and scope of financial management as well as time value of money
CO2	understand risk return trade off.
CO3	analyze capital budgeting process and capital budgeting techniques
CO4	estimate various capital structure theories and factors affecting capital structure decisions in a firm
CO5	critically examine various theories of dividend and factors affecting dividend policy.
CO6	Analyse Channels of Communication.

#### Unit I: Financial Management

Financial goals; Profit v/s wealth maximization; financial functions - investment, financing, and dividend decisions; financial planning.

#### Unit II: Capital Budgeting

Nature of investment decisions, investment evaluation criteria, payback period, accounting rate of return, net present value, internal rate of return profitability index; NPV and IRR comparison.

#### Unit III: Cost of Capital and leverage analysis

Significance of cost of capital; Calculating cost of debt; Preference shares, equity capital, and retained earnings; Combined (weighted) cost of capital. Operating, Financial and combined Leverage.

#### Unit IV: Capital Structure

Theories and determinants Dividend Policies: Issues in dividend policies; Walter's model, forms of dividends and stability in dividends, determinants.

#### Unit V: Management of Working Capital

Management of Working Capital: Nature of working capital, significance of working capital, operating cycle and factors determining of working capital requirements; Overview of cash, receivables, and inventories management.

#### Suggested Readings

- Van Home J.C: Financial Management and Policy; Prentice Hall of India, New Delhi.
- Van Home J.C: Fundamentals of Financial Management; Prentice Hall of India, New Delhi.
- Khan M.Y. and Jain P.K: Financial Management, Text and Problems; Tata McGraw Hill, New Delhi.
- Prasanna Chandra: Financial Management Theory and Practice; Tata McGraw Hill, New Delhi.
- Pandey I.M: Financial Management: Vikas Publishing House, New Delhi.

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