

## MBA206: FINANCIAL ISSUES

Teaching Scheme	Examination Scheme
Lectures: 4 hrs./Week Tutorials: 1 hrs./Week  Credits: 4	Class Test -12Marks Teachers Assessment - 6Marks Attendance – 12 Marks End Semester Exam – 70 marks

### Course Objectives:


- To gain an understanding on the use of basic business financial management concepts and tools of analysis such as valuation.
- To gain an insight into various types of financing available to a firm.
- To have an understanding of various factors considered in designing the capital structure.
- To acquaint the students about key areas related to investment and Working Capital Management.
- To gain an insight into various techniques of dividend and retention ratio.

**UNIT I (10 Hours): Introduction:** Introduction to financial management: objectives of financial management. Time value of money. Long term investment / Capital budgeting decision: Investment evaluation techniques traditional methods and discounted criteria, risk analysis of investment proposal **Hours: 40**


**UNIT II (12 Hours): Capital Structure:** Financing and capital structure decisions: Meaning and factors affecting capital structure, cost of capital. Leverage Analysis- operating, financial and combined leverage  
Working Capital Management: factors affecting working capital, estimation of working capital requirement, Inventory, cash and receivables management.  
Dividend decision: Dividend policies and dividend theories

**UNIT III (8 Hours): Management Accounting:** Management accounting: Definition, differences with Financial Accounting, Introduction to manufacturing costs and its classification, Elements of Cost, Unit costing, Relevant information for decision making, CVP and BEP analysis.

**UNIT IV (10 Hours): Financial Decision Making:** Decision making areas -special order, addition and deletion of product and services, optimal uses of limited resources, make or buy decisions. Standard costing and Variance analysis regarding materials and Labour.

  
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