

AC –
Item No. –

As Per NEP 2020

**Tolani College of Commerce
(Autonomous)**



**Title of the Course: Financial Management-I
Programme: Bachelor of Commerce (Accounting & Finance)**

Semester: V

**Syllabus for 4 Credit Course
from the Academic Year 2025-2026**

Name of the Course: Financial Management – I

| Sr. No. | Heading | Particulars |
|---------|--|---|
| 1 | Description the course : | A Financial Management course is designed to provide students with a comprehensive understanding of financial decision-making within an organization. The course covers a range of topics related to financial planning, analysis, and control, and it is essential for individuals pursuing careers in finance, business administration, and related fields. |
| 2 | Vertical: | Major |
| 3 | Type: | Practical |
| 4 | Credit: | 4 Credits |
| 5 | Hours Allotted: | 60 Hours |
| 6 | Marks Allotted: | 100 Marks Continuous Evaluation: 40 Semester-End Examination: 60 |
| 7 | Course Objectives: <ol style="list-style-type: none"> 1. To understand the capital budgeting process, including project classification and various investment criteria. 2. To examine the impact of capital structure decisions on a company's cost of capital, valuation, and financial stability. 3. To explore the risks associated with mutual funds and bonds, and methods for managing these risks. 4. To understand the fundamentals of credit management and its importance in financial stability and profitability. | |
| 8 | Course Outcomes: <ol style="list-style-type: none"> 1. Learner will able to apply different capital budgeting techniques (such as NPV, IRR, and ARR) to evaluate project feasibility, including accurate estimation of project cash flows. 2. Evaluate how different capital structure choices affect a company's cost of capital and overall valuation, as well as the risk-return profile for shareholders. 3. Assess the risks associated with mutual fund and bond investments and apply strategies for risk management, such as diversification and duration matching. 4. Develop and implement effective credit policies that align with organizational goals and minimize financial risks. | |
| 9 | Module 1: Capital Budgeting – Project Planning & Risk Analysis (15 Hours) | |
| | <ul style="list-style-type: none"> • Introduction - Capital Budgeting Process, Project Classification and Investment Criteria. • Techniques of Capital Budgeting - NPV, Benefit Cost Ratio, Internal Rate of Return, Modified Internal Rate of Return, Payback period, Discounted Payback Period and ARR. (Inclusive of Estimation of Project Cash Flows) • Capital Rationing – Meaning, Need and Dealing with Capital Rationing Problems Risk Analysis in Capital Budgeting Sources and Perspectives of Risk, Sensitivity Analysis, Scenario Analysis, Simulation Model, Decision Tree Analysis and Break - Even Analysis | |

| | |
|-----------|---|
| | Module 2: Capital Structure Theories and Dividend Decisions (15 Hours) |
| | <ul style="list-style-type: none"> • Capital Structure Theories – Background, Assumptions, Definitions and Taxation • Capital Structure Types – Net Operating Income, Net Operating Income Approach, Traditional Position, Modigliani and Miller Approach, Trade off Theory and Signalling Theory. • Dividend Decisions- Need, Importance, Formulation, Legal and Procedural Aspects, Dividend Decision Models - Walter, Gordon, Graham & Dodd Model and M-M Model |
| | Module 3: Mutual Fund and Bond Valuation (15 Hours) |
| | <ul style="list-style-type: none"> • Introduction to Mutual Fund- History & Origin, Definition, Meaning, Characteristics, Advantages, Disadvantages, Limitations of Mutual Funds, Ethics in Mutual Fund. • Classification of Mutual Fund - Functional/Operational – Open ended, close ended, Interval, Portfolio – Income, Growth, Balanced, MMMF, Geographical/ Location – Domestic and Offshore, Tax Saving Funds, Exchange Traded Funds, Balance Funds, Fixed Term Plan Debt Funds and SIP. Calculations of NAV, Entry Load and Exit Load. • Bond Valuation - Meaning, Measuring Bond Returns – Yield to Maturity, Yield to call and Bond Pricing. Bond Pricing Theorems, Bond Risks and Bond Duration. (Practical Problems on YTM and Bond Duration.) |
| | Module 4: Credit Management (15 Hours) |
| | <ul style="list-style-type: none"> • Terms of Payment, Credit Policy Variables, Credit Evaluation Credit Granting Decision • Control of Accounts Receivables • Ageing Schedule and Credit management in India |
| 10 | Reference Books: <ol style="list-style-type: none"> 1. Financial Management: Theory & Practice <ul style="list-style-type: none"> • Authors: Eugene F. Brigham and Michael C. Ehrhardt • Publisher: Cengage Learning • Year: 2019 (15th Edition) 2. Principles of Corporate Finance <ul style="list-style-type: none"> • Authors: Richard A. Brealey, Stewart C. Myers, and Franklin Allen • Publisher: McGraw-Hill Education • Year: 2020 (13th Edition) 3. Fundamentals of Financial Management <ul style="list-style-type: none"> • Authors: James C. Van Horne and John M. Wachowicz Jr. • Publisher: Pearson • Year: 2017 (14th Edition) 4. Corporate Finance <ul style="list-style-type: none"> • Authors: Jonathan Berk and Peter DeMarzo • Publisher: Pearson • Year: 2020 (5th Edition) 5. Financial Management: Principles and Applications <ul style="list-style-type: none"> • Authors: Sheridan Titman, Arthur J. Keown, and John D. Martin • Publisher: Pearson • Year: 2018 (13th Edition) |

| | | | | |
|----|--|---|--|--|
| 11 | Internal Continuous Assessment: 40% | Semester End Examination: 60% | | |
| 12 | Continuous Evaluation through: | | | |
| | Sub-components | Maximum Marks | Conditions for passing | |
| | 1) Assignment/Case Studies/Project/Field Visit | 15 | A learner must be present for each of the sub-components. | |
| | 2) Presentation/Book Review/Research Paper Report | 15 | | |
| | 3) MCQ Based Test | 10 | | |
| | Total | 40 | | |
| 13 | Format of Question Paper: Semester End Examination Question Paper Pattern Maximum Marks: 60 Duration: 2 Hours All Questions are Compulsory Carrying 15 Marks each. | | | |
| | Question No | Particular | Marks | |
| | Q-1 | Attempt the following: a. Full Length Practical Question OR b. Theory/ Practical Questions c. Theory/Practical Questions | 15 Marks 08 Marks 07 Marks | |
| | | Q-2 | Attempt the following: a. Full Length Practical Question OR b. Theory/ Practical Questions c. Theory/Practical Questions | 15 Marks 08 Marks 07 Marks |
| | | | Q-3 | Attempt the following: a. Full Length Practical Question OR b. Theory/ Practical Questions c. Theory/Practical Questions |
| | Q-4 | | | Attempt the following: a. Full Length Practical Question OR b. Theory/ Practical Questions c. Theory/Practical Questions |
| | | Note: Questions of 7/8 marks (Practical/theory) may also be divided as 2 questions of 10/5 marks (Practical/theory) or 1 full length question (Practical/theory) of 15 marks. | | |

Signatures of Team Members

| Sr. No | Name | Signature |
|---------------|-------------------|------------------|
| 1. | Mr. Murugan Nadar | |
| 2. | Mr. Mubeen Shaikh | |