

BC-502

FINANCIAL MANAGEMENT

External Marks: 80

Internal Marks: 2

Time: 3 Hours

Note: Paper setter will set nine questions in all. Question No. 1 comprising of five short types questions carrying four (4) marks each is compulsory. It covers the entire syllabus. Answer to each question should not be more than one page. Candidate is required to attempt four questions from the remaining eight questions carrying 15 marks each.

Financial management: nature, scope, objectives and significance of financial management; recent developments in financial management.

Financial planning and forecasting: need, importance, drafting a financial plan; capitalization, over-capitalization and under-capitalization; financial forecasting: meaning, benefits and techniques of financial forecasting; sources of finance: short-term, medium term and long term

Cost of capital: significance, computation of cost of debt, equity & preference share capital and retained earnings, weighted average cost of capital.

Capital structure decisions: meaning and determinants of capital structure; theories of capital structure

Capital budgeting decisions: nature & importance, factors influencing capital expenditure decisions, techniques of capital budgeting

Working capital management: need, types & determinants, forecasting of working capital requirements; management of cash.

REFERENCES

- Brigham, E.F. and Houston, J. F. : Fundamentals of Financial Management, Cengage, New Delhi.
- Hampton: Financial Decision Making, Prentice Hall of India, New Delhi.
- Khan, M. Y. and Jain, P.K.: Financial Management, Tata McGraw Hill, New Delhi.
- Prasanna, Chandra: Financial Management, Tata McGraw Hill, New Delhi.
- Ravi M. Kishore: Financial Management, Taxmann Publications Pvt. Ltd., New Delhi.
- Sinha, Pradip Kumar: Financial Management, Excel Books, New Delhi.
- Van, Horne: Financial Management and Policy, Prentice Hall of India, New Delhi.