

Revised Syllabus of Courses of B.Com. (Banking & Insurance)

Semester III

SYBBI

Elective Course (EC)

1. Financial Management

Sr. No.	Modules / Units
1	Introduction to Finance and Financial Management
	<ul style="list-style-type: none">• Introduction to Finance<ul style="list-style-type: none">▪ Meaning and definition of finance▪ Importance of finance▪ Types of Finance: Public and Private▪ Sources of finance<ul style="list-style-type: none">• Long Term Sources : Term Loans, Debentures, Bonds, Zero Coupon bonds, Convertible Bonds, Equity shares, Preference shares, CD, CP, Public Deposits• Short Term Sources: Bank Finance, Trade Credit ,Other Short Term Sources• Venture Capital and Hybrid Financing• Financial Management<ul style="list-style-type: none">▪ Meaning and Importance of Financial Management▪ Scope of Financial Management▪ Functions and Objectives of Financial Management▪ Primary Objective of Corporate Management▪ Agency Problem▪ Organization of Finance Function▪ Emerging role of Finance Managers in India.• Objectives of the Firm<ul style="list-style-type: none">▪ Profit Maximization and Shareholders Wealth Maximization,▪ Profit V/s Value Maximization
2	Financial Goal Setting & Time value of Money
	<ul style="list-style-type: none">• Financial Goal Setting<ul style="list-style-type: none">• Introduction• Financial Forecasting – Meaning, Techniques, Benefits• Approaches to Financial Planning• Economic Value Added (EVA)– Measurement & Components• Free Cash Flow (FCF) -• Time Value of Money<ul style="list-style-type: none">• Concept• Present Value• Annuity• Techniques of Discounting• Techniques of Compounding,

3	Investment Decisions: Capital Budgeting
	<ul style="list-style-type: none"> • Capital Budgeting <ul style="list-style-type: none"> • Nature of Capital Budgeting • Purpose of Capital Budgeting • Capital Budgeting Process • Types of Capital Investment • Basic Principle of Measuring Project Cash Flows • Increment Principle, Long Term Funds Principle, Exclusion of Financial Cost Principle, Post Tax Principle • Probability technique for measurement of cash flow • Capital Budgeting Techniques: Net Present Value Profitability Index and Discounted Pay Back Method. • A Comparison; Project Selection Under Capital Rationing <p>(Note: Problems on computation of cash flow, ranking of projects on various techniques, selection and analysis with / without capital rationing)</p>
4	Financial Decisions
	<ul style="list-style-type: none"> • Cost of Capital : <ul style="list-style-type: none"> • Introduction and Definition of Cost of Capital • Measurement of Cost of Capital • Measurement of WACC using book value and market value method. • Measuring Marginal Cost of Capital • Capital Structure Decisions: <ul style="list-style-type: none"> • Meaning and Choice of Capital Structure • Importance of Optimal Capital Structure • EBIT -EPS Analysis • Capital Structure Theories • Dividend Policies (Walter & Gordon)