School of Commerce
M.Com. Programme

Subject Code& Name: - MC01MDSC01: Financial Management-I
Teaching and Evaluation Scheme:

Teaching Scheme				Examination Scheme			
Credits				Component Weightage			
				CCE		SEE	
L	T	P	Total	TH	PWE	TH	PWE
4	0	0	4	50	0	50	0

Programme Name	M. Com
Semester	1
Course Code	MC01MDSC01
Course Title	Financial Management-I
Course Content Type (Th./Pr.)	Th.
Course Credit	4
Sessions+ Lab. Per Week	4
Total Teaching/Lab. Hours	60 Hours
* 2 Laboratory = 1 Session	

Learning Objectives

1. To define the core concepts of financial management, including the finance function, financial planning, and capital structure.
2. To explain the evolution of the finance function from traditional to modern approaches.
3. To compute the cost of various capital components, including equity, preference, and debt.
4. To differentiate between the various financial decisions—investment, financing, dividend, and liquidity.
5. To assess the applicability of different capital structure theories, such as the Net Income (NI) and Modigliani & Miller (MM) approaches.
6. To design comprehensive financial strategies that integrate theoretical capital structure models with practical business needs.

Prerequisites (if any)

Learning Outcomes

After completion of the course, learners will be able to:

1. To recall the basic definitions of profit maximization versus wealth maximization and the fundamental components of capital cost.
2. To summarize the importance of the time value of money and its role in evaluating future and present cash flows.

School of Commerce
M.Com. Programme

3. To examine the factors affecting financial planning and capital structure to determine their impact on organizational stability.
4. To evaluate the characteristics of a sound financial plan based on the organization's unique requirements and environmental constraints.
5. To formulate an optimal capital structure for a firm, synthesizing the roles and responsibilities of the modern financial manager.

Detailed Contents

UNIT	TOPIC/SUB-TOPIC	TEACHING HOURS
I	**INTRODUCTION TO FINANCIAL MANAGEMENT (ONLY THEORY)** ➢ Introduction and Meaning ➢ Importance of financial management ➢ Finance Function (Traditional and Morden) ➢ Finance Decision -Investment decisions -Financing decision - Dividend decisions - liquidity decision ➢ Goals/Objectives of Financial Management -Profit Maximization and Wealth Maximization ➢ Organization of the finance function ➢ Role and Responsibilities of Modern Financial Manager	15
II	**FINANCIAL PLANNING AND TIME VALUE OF MONEY** **(A) Financial Planning** ➢ Meaning and Nature of Financial Planning ➢ Characteristics of sound financial plan ➢ Importance of financial planning ➢ Factors affecting financial planning ➢ Limitations of financial planning **(B) Time Value of Money** ➢ Future Value of Money ➢ Present Value of Money ➢ Risk and Return	15
III	**COST OF CAPITAL** ➢ Concept of cost of Capital ➢ Significance ➢ Classification of cost ➢ Computation of: Cost of Equity Capital, Cost of Preference Capital, Cost of Debt Capital ➢ Weighted average cost of capital (Cost of equity based on dividend capitalization approach, earning price approach, realized yield approach **(Theory and Examples)**	15

School of Commerce
M.Com. Programme

IV	**CAPITAL STRUCTURE** ➢ Meaning ➢ Factors affecting Capital Structure ➢ Forms of Capital Structures ➢ Theories of Capital Structure: Net Income Approach (NI Approach), Net Operating Income Approach (NOI Approach), Traditional Approach, Modigliani & Miller Approach (MM Approach) **(Theory and Examples)**	15

Text Book(s)

Reference Books

1. Chandra, P. Fundamentals of Financial Management. McGraw Hill Education
2. James C. Van Horne & Sanjay Dhamija, Financial Management & Policy, Pearson Edu.
3. Khan and Jain. Basic Financial Management, McGraw Hill Education, New Delhi
4. Pandey, I.M. Financial Management. Vikas Publications, New Delhi
5. Rustagi, R.P. Fundamentals of Financial Management. Taxmann Publication Pvt. Ltd.
6. Singh, J.K. Financial Management- text and Problems. 2nd Ed. Dhanpat Rai & Co. Delhi.
7. Singh, Surender and Kaur, Rajeev. Fundamentals of Financial Management. Mayur Paperback, New Delhi

Web Resources

1. https://www.youtube.com/watch?v=CCQwz_Gwo6o&t=49s

Required Software(s) (if any)

Practical(s) (if any)

L:: Lecture, **T::** Tutorial , **P::**Practical

CCE:: Continuous and Comprehensive Evaluation

(CCE Theory includes Mid Semester Examination, Assignment, MCQ quizzes, Seminar, Reflective notes, class participation, case analysis and presentation, slip tests (announced/ surprised), attendance etc. or any combination of these)

PWE:: Practical Work Examination

(PWE includes Laboratory practical work, project work, viva simulation exercise work etc.)

SEE:: Semester End Evaluation