

**OBE based Teaching Lesson Plan 2019-20**

**Program - BBA (REGULAR)**

**Course Name: FINANCIAL MANAGEMENT**

**Subject Code - MI 15MC302**

**Semester: III**

**Lecture hours: 60**

**Faculty in-charge: Dr. S.Selvi & Ms. Preemal**

<b>Course Outcome No.</b>	<b>Course Outcomes</b>	<b>T level Indicator</b>
CO1	Describe the Role of financial manager in the present state of affairs.	T2
CO2	Compute the Cost of Capital with live financial Statements.	T3
CO3	Design an optimum Capital Structure for a hypothetical firm.	T6
CO4	Evaluate the financing options in terms of targeted overall cost of capital.	T5
CO5	Illustrate the implications of Theories of Dividend.	T3
CO6	Assess the Working Capital Requirements of a Hypothetical firm	T5

<b>Module No. &amp; Topics Covered</b>	<b>Course Outcome No.</b>	<b>No. of Lecture Hours</b>	<b>Pre-Class Activity</b>	<b>Instructional techniques</b>	<b>Assessment</b>	<b>T level</b>
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<p><b>Module - 1: Financial Management</b></p> <p>Finance Function - Aims of Finance Function - Financial Management - Goals of Financial Management - Financial Decisions.</p>	CO1	4	<p>Go through the organisational structure.</p> <p>Understand the difference between the finance controller, treasurer, chief finance officer</p>	<p>Lecture Session</p> <p>Discussion/ Interaction</p>	<p>MCQs</p> <p>2 minutes presentation by the students</p>	T2
<p><b>Module - 2: Financing Decisions: Cost of Capital</b></p> <p>Meaning - Computation of Cost of Capital - Cost of Equity - Preference - Debt - Cost of Retained Earnings - Weighted Average Cost of Capital and Marginal Cost of Capital.</p>	CO2	12	<p>Go through the balance sheet.</p> <p>Understand the net worth components in detail along with the financial expenses in the income statement.</p> <p>Learn the differences between shares, debentures, preference shares</p>	<p>Lecture and Interaction</p> <p>Chalk and Talk method</p> <p>Exercises</p> <p>Video presentation</p> <p>Case study</p>	<p>Unit test</p> <p>MCQs</p> <p>Case study</p> <p>Analysis and discussion</p>	T3
<p><b>Module - 3: Financing Decisions: Capital Structure</b></p> <p>Meaning of Capital Structure - Optimum Capital Structure - Factors determining Capital structure - Leverages - Operating leverage - Financial leverage and combined leverage - Problems - Point of Indifference.</p>	CO3	10	<p>Go through the video on introduction to capital structure.</p> <p>Understand the concept of leverage from a general parlance</p>	<p>Lecture and Interaction</p> <p>Chalk and Talk method</p> <p>Exercises</p> <p>Video presentation</p> <p>Case study</p>	<p>Unit test</p> <p>MCQs-moodle</p> <p>Case study</p> <p>Analysis and discussion</p>	T6

<p><b>Module - 4: Investment Decisions</b>  Capital Budgeting – Meaning – Significance – Capital Budgeting process – Payback period – ARR – Net present values – IRR Method – Profitability Index and Capital Rationing (Concept only).</p>	CO4	16	<p>Go through the significance of investment decision.</p> <p>Go through the types of capital expenditure an organisation incurs.</p>	<p>Lecture and Interaction</p> <p>Chalk and Talk method</p> <p>Exercises</p> <p>Video presentation</p> <p>Case study</p>	<p>Unit test</p> <p>MCQs-moodle</p> <p>Case study</p> <p>Analysis and discussion</p>	T5
<p><b>Module-5: Dividend Decisions</b>  Meaning – Types of dividend policies – Factors influencing dividend policy – Forms of dividends. Dividend relevance theories – Walter’s Model and Gordon’s Model. Dividend irrelevance theories – Modigliani Miller Model.</p>	CO5	8	<p>Understand the role of shareholders in the organisation.</p> <p>Examine the returns paid to the shareholders</p> <p>Go through videos on dividend theories</p>	<p>Lecture and Interaction</p>	<p>Unit test</p> <p>MCQs-moodle</p> <p>Case study</p> <p>Analysis and discussion</p>	T3
<p><b>Module-6 : Working capital management</b>  Working capital: Meaning – Concepts of working capital – Factors influencing Working Capital requirement – Components of working capital – Profitability/Liquidity tradeoffs.  Cash Management: Meaning – Importance – Factors affecting cash balances– Motives of holding cash – Objectives of cash management– Difficulties and Means of cash management.  Receivables Management:</p>	CO6	10	<p>Study the various components of working capital management.</p> <p>Watch videos on the profitability and liquidity trade off.</p> <p>Go through the inventory valuation practices of some organisation.</p>	<p>Lecture and Interaction</p>	<p>Unit test</p> <p>MCQs-moodle</p> <p>Case study</p> <p>Analysis and discussion</p>	T5

<p>Meaning - Purpose - Determinants - Tools for receivables management - Ageing schedule.</p> <p>Inventory Management: Meaning and Importance - Cost of holding inventory- Tools - EOQ - Fixing different inventory levels - ABC analysis - FSN - VED - JIT - Periodic inventory valuation - Perpetual inventory valuation (concepts only).</p>						
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**Continuous Internal Assessment –**

- Moodle based quiz
- Class test
- Assignment

**Books for Reference:**

- M. Pandey: Financial Management, Vikas Publishers, New Delhi.
- James C. Vanhorne: Financial Management.
- Khan & Jain: Financial Management, Tata Mcgraw Hill, New Delhi.
- P. N. Reddy & Appanaiah: Financial Management, Himalaya Publishers, Bombay.
- Prasanna Chandra: Financial Management, Tata McGraw Hill, New Delhi.
- S. N. Dorai Raj: Financial Management, Kalyani Publishers, New Delhi.
- S. N. Maheswari: Financial Management, Sulchand & Co., New Delhi.
- Sharma & Sashi Gupta: Financial Management