

PAPER IV- FINANCIAL MANAGEMENT

CHAPTER:

1. FINANCIAL MANAGEMENT- Definition- Nature And Scope Of Finance Function- Changing Role of Finance Manager- Traditional Role and New Role- Objectives Of Financial Management- Financial Decisions- Capital Budgeting Decision, Financing Decision, Dividend Decision, Current Asset Management- Risk-Return Trade- Off: Organization Of Finance Function in The Organization.
2. TIME VALUE OF MONEY- Definition- Importance- Present Value- Discounting- Compounding.
3. CAPITAL BUDGETING DECISION- Nature and Significance- Capital Budgeting Process- Techniques of Capital Budgeting- Traditional and Discounted Cash Flow Techniques.
4. COST OF CAPITAL- Meaning- Concept of Cost Capital- Determinants of Cost of Special and Weighted Cost of Capital
5. CAPITAL STRUCTURE- Meaning- Theories of Capital Structure- Factors affecting Capital Structure- over Capitalization and under Capitalization- Optimum Capital Structure.
6. DIVIDEND DECISION- Definition- Theories Of Dividend- Forms Of Dividend - Stability of Dividend.
7. WORKING CAPITAL- Definition- Operating Cycle- Determinants of Working Capital- Determination of Optimum Investment in Current Assets- Financing of Working Capital.
8. MANAGEMENT OF CASHES AND MARKETABLE SECURITIES- Motives For Holding Cash- Preparation Of Cash Budget.
9. MANAGEMENT OF RECEIVABLES- Objectives- Cost and Benefits- Collection Policy- Optimum Credit Policy.
10. INVENTORY MANAGEMENT- Objectives- Techniques of Inventory Management- Economic Order Quantity, ABC, FSN.

BOOKS FOR STUDY AND REFERENCE:

1. FINANCIAL MANAGEMENT- I.M PANDEY
2. FINANCIAL MANAGEMENT- KHAN AND JAIN
3. MANAGEMENT ACCOUNTING- R.K SHARMA AND SHASHI K. GUPTA
4. FINANCIAL MANAGEMENT AND MANAGEMENT ACCOUNTING- T.V RATNAM.
5. FINANCIAL MANAGEMENT- B.S RAMAN
6. FINANCIAL MANAGEMENT- JAMES VAN HONNE.