**N.M.A.M. Institute of Technology**

NITTE

Incridea meeting

On

15.01.2020

At 3.00PM

Sambhram

FINANCE MANAGEMENT

Sub Code : 16ECE85 Credit : 03

Hrs/Week : 3+0+0+0 Total Hours : 39

Course Learning Objectives:

This Course will enable students to

1. Develop basic financial management knowledge essential to make a managerial

career in professional life.

2. Impart some of the crucial and basic skills required to work in the area of

budgeting, investment and financial decision making.

3. Enable in making a right decisions on selection of projects for investment.

4. Understand the basics of finance and financial markets, project evaluation and

selection.

UNIT – I

Financial Management: Concepts and Meaning – Introduction to Finance; Objectives of

Financial Management; Profit Maximization; EVA; Changing Role of Financial Managers.

Time Value of Money: Techniques and Applications of Compounding and Discounting.

13 Hours

UNIT – II

Cost of Capital: Sources of various Types of Capital; Cost of Debenture Capital; Cost of

Preferential Capital; Cost of Term Loans; Cost of Equity Capital.

Working Capital : Factors influencing Working Capital Requirements.

Inventory Management: Techniques of Inventory Management and Control – EOQ, ABC

Analysis, Just-in-Time (JIT) System. 13 Hours

UNIT – III

Capital Budgeting (Investment Evaluation Techniques): Payback Period Method;

Present Worth Method; Annual Worth Method; Future Worth Method; Estimation of IRR.

BreakEven Analysis: Estimation of Break-Even Point and Values. 13 Hours

Course Outcomes:

At the end of the course the student will be able to

1. Demonstrate the basic financial management skills required for a professional.

2. Demonstrate techniques and applications of compounding and discounting.

3. Demonstrate the basics of cost of capital and working capital.

4. Demonstrate the basics of inventory management.

5. Demonstrate the basics of capital budgeting and breakeven analysis.

TEXT BOOKS :

1. M Y Khan, P K Jain , “Financial Management – Text, Problems & Cases”,7th

Edition, 2015; McGraw Hill Education (India) Pvt. Ltd, New Delhi.

2. I M Pandey, "Financial Management", 11th Edition, 2015; Vikas Publishing House

Pvt. Ltd. (UP) India.

3. James L. Riggs, David D. Bedworth and Sabah U. Randhawa, “Engineering

Economics”, 4th Edition, Tata McGraw Hill Edition.

REFERENCE BOOKS :

1. Prasanna Chandra, “Financial Management”, 6th Edition, 2004; Tata McGraw Hill

Publishing Company Ltd, New Delhi.

2. S. D. Sharma, “Operation Research”.