C P PATEL AND F H SHAH COMMERCE COLLEGE, ANAND (AUTONOMOUS)

(MANAGED BY SARDAR PATEL EDUCATION TRUST, ANAND)

AFFILIATED TO SARDAR PATEL UNIVERSITY, V V NAGAR

An ISO 9001 2015 Certified / An ISO 14001-2015 Certified / An ISO 21001-2018 Certified
GUJARAT INSTITUTIONAL RATING FRAMEWORK (4 STAR)

AAA Reaccredited CGPA 3.56 – GRADE A+ KCG-Dept of Edu. Govt. of Gujarat-April 2017

NAAC Reaccredited - CGPA 3.30 - GRADE 'A+' UGC – MHRD, Govt. of India – June 2022

Syllabus as per NEP 2020 with effect from the Academic Year 2025-2026

Bachelor of Commerce (BCOM)

SEMESTER-VI

Course Code	UB6MICOM01	Title of the Course	FINANCIAL MANAGEMENT-II
Total Credits of the Course	04	Hours per Week	04

Course Objectives	1. To impart knowledge of various aspects of Cash Management, Receivable Management and Inventory Management, and solve related examples
	2. To develop an ability to make certain important decisions relating to cost of capital for effective utilization of resources.
	3. It enables the students to apply their knowledge in solving problems of corporate organizations and help them to improve their overall capacities in the field of business finance through financial planning and capitalization.
	4. To develop understanding of Capital Structure Planning and Leverage Analysis.

Course Content

Unit	Description	Weightage (%)
1.	**Management of Cash, Receivables And Inventory** Motives for Holding Cash, Cash Budgeting examples, Credit Policy variables, Credit Evaluation, Types of Inventory, Computation of EOQ, Maximum level, Minimum Level, Recorder point and Safety Stock, ABC Analysis.	25%
2.	**Cost of Capital** Concept of cost of Capital, Significance, Classification of cost, Cost of Equity Capital, Cost of Preference Capital, Cost of Debt Capital, Examples of WACC.	25%
3.	**Financial Planning** Meaning, Characteristics, Factors affecting Financial Planning, Limitations of financial planning **Capitalization** Meaning, Theories of Capitalization, Types - Overcapitalization & Undercapitalization: Meaning, Symptoms, Causes, Effects & Remedies, Distinguish between Over Capitalization And Under Capitalization	25%

4.	**Capital Structure and Leverage** **Capital Structure** Meaning and Features of Optimum capital structure, Factors affecting Capital Structure, Examples on Earning Per Share (EPS) **Leverage** Meaning, Importance of Capital Gearing/ Leverage, Types of Leverage (Theory & Examples) – Operating Leverage, Financial Leverage, Composite / Total Leverage (Examples Based on Preparation of Income Statement be taught) Effects / Implications of Leverages, **Trading on Equity** – Merits and Limitations	**25%**

Teaching-Learning Methodology	• Lecture Method • Online Lectures • Group Discussion • Practical Problem Solving

Evaluation Pattern

Sr. No.	Details of the Evaluation	Weightage
1.	Internal Written	**30%**
2.	Internal Continuous Assessment in the form of Quizzes, Seminars, Assignments, Attendance	**20%**
3.	External Examination	**50%**

Course Outcomes: Having Completed this course, the students will be able to

1.	Have an idea about the components of Cash ,Receivables and inventory management, and able to solve related practical examples
2.	Understand Cost of Capital and solve examples of Cost of Capital of various sources of finance
3.	Have in depth knowledge of Financial Planning and Capitalization
4.	Have conceptual clarity of Capital Structure and Leverage, and solve practical examples.

Suggested References	
Sr. No.	**References**
1	Kulkarni, P. (2022). *Financial Management 14th Edition.* Himalaya Publishing House.
2	SN, M. (2019). *Financial Management.* Sultan Chand & Sons.
3	Pandey, I. M. (2024). *Financial Management.* Vikas Publishing House.
4	Chandra, P. (2022). *Financial Management: Theory & Practice 11th Edition.* McGraw Hill.
5	Dr. R. S. Kulshrestha, R. K. (2020). *Financial Management.* SBPD Publications.
6	M Y Khan, P. K. (2018). *FINANCIAL MANAGEMENT.* McGraw Hill.
7.	Rustagi, D. R. (n.d.). *Financial Management: Theory, Concepts and Problems, 4th revised edition* , . Taxmann.
8.	Wachowicz, J. H. (n.d.). *Fundamentals of Financial Management,13th ed.* . Prentice Hall.

On-line resources to be used if available as reference material
➢ Financial Management https://ugcmoocs.inflibnet.ac.in/view_module_pg.php/392
➢ Financial Management and Strategic Management https://www.icai.org/post/19152
➢ Receivables and Cash Management https://epgp.inflibnet.ac.in/epgpdata/uploads/epgp_content/S000438BE/P000723/M014781/ET/1458297884BSE_P4_M15ETEXT.pdf
➢ Cash Management https://egyankosh.ac.in/bitstream/123456789/80058/3/Unit-18.pdf
➢ Management of Inventory, Accounts Receivables and Cash https://vidyaprasar.dei.ac.in/wp-content/uploads/2021/12/ABM-801_L-12.pdf
➢ Cost of capital –an overview https://epgp.inflibnet.ac.in/epgpdata/uploads/epgp_content/Commerce/08._Financial_Management/13._Cost_of_capital_-an_overview/et/4648_et_4648_et_m13_etext.pdf
➢ Cost of Capital https://www.egyankosh.ac.in/bitstream/123456789/6224/1/Unit-2.pdf
➢ Financial Management https://ugcmoocs.inflibnet.ac.in/index.php/courses/view_pg/392

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