



# GUJARAT TECHNOLOGICAL UNIVERSITY

Program Name: Bachelor of Business Administration

Level: UG

Course / Subject Code: BB04001021

Course / Subject Name: Financial Management

w. e. f. Academic Year:	2025-26
Semester:	4
Category of the Course:	Core Course (CC)

<b>Prerequisite:</b>	--
<b>Rationale:</b>	Financial Management is offered with intent to equip the students with the basic knowledge of finance theory and its application to develop relevant financial strategies pertinent to profit-seeking organizations. The theme of financial management is structured around four decision making financial areas: Investment-long and short term, working capital Management, Financing and Dividend policy. This imbues students with analytical and decision-making skills in managing finance through application of theoretical questions and practical problems.

## Course Outcome:

After Completion of the Course, Student will able to:

No	Course Outcomes	RBT Level
01	To apply the knowledge in taking finance decisions (Summarize the motives behind financial decision making.)	Understand
02	To develop analytical skills to identify financial management problems and solve them. (Interpret the relevant theories and concepts of various practices of financial management and ethics in Finance.)	Understand Analyze
03	To analyse the relationship among capital structure, cost of capital, dividend decisions, and value of the business decisions. (Analyze the relationship among capital structure, cost of capital, dividend)	Understand Analyze
04	To assess a firm's requirement for long-term assets by applying capital budgeting Techniques (Evaluate projects for profitability)	Understand Apply Evaluate
05	To apply and relate the finance functions in real life scenarios (Practical projects)	Apply

\*Revised Bloom's Taxonomy (RBT)



# GUJARAT TECHNOLOGICAL UNIVERSITY

Program Name: Bachelor of Business Administration

Level: UG

Course / Subject Code: BB04001021

Course / Subject Name: Financial Management

### Teaching and Examination Scheme:

Teaching Scheme (in Hours)			Total Credits L+T+ (PR/2)	Assessment Pattern and Marks				Total Marks
L	T	PR	C	Theory		Tutorial / Practical		
				ESE (E)	PA / CA (M)	PA/CA (I)	ESE (V)	
3	1	0	4	70	30	50	0	150

### Course Content:

Unit No.	Content	No. of Hours	% of Weightage
1.	<p><b>Introduction to Financial Management</b>  Meaning of finance and financial management, Types of finance, Objective and Scope of financial management– profit maximization and wealth maximization - merits and criticisms- Financial decisions, Internal relation of financial decisions</p> <p>Factors influencing financial decisions, Functional areas of financial management, Functions of a finance manager, Agency Cost, Definition of ethics and the importance of ethics in Finance</p> <p><b>Sources of Finance:</b> Ownership securities – Equity shares, Preference shares, Deferred shares, no par stock/shares, Shares with differential rights, Sweat Equity Creditorship securities – Debentures – Zero coupon bonds/ Zero interest bonds, Callable bonds, Deep discount bonds Internal financing or ploughing back of profit</p> <p><b>Short term and long-term sources:</b> Startup Finance-Bootstrapping, Series Funding</p>	7	25
2.	<p><b>Capital Structure &amp; Capitalization</b></p> <p><b>Meaning of capitalization:</b> Theories of capitalization – cost theory and earnings theory.</p> <p>Over capitalization and under capitalization (Theory) – causes – effects and remedies, Watered stock, Over trading and under trading.</p>	11	25



# GUJARAT TECHNOLOGICAL UNIVERSITY

**Program Name: Bachelor of Business Administration**

**Level: UG**

**Course / Subject Code: BB04001021**

**Course / Subject Name: Financial Management**

	<p><b>Meaning of capital structure and financial structure:</b> Principles of capital structure, Optimum Capital Structure, Determinants of capital structure, capital gearing-Theories of Capital structure</p> <p>Effect of capital structure on EPS, EBIT-EPS Analysis (Practical)</p>		
3.	<p><b>Cost of Capital, Leverages and Managing Working Capital</b></p> <p><b>Cost of capital:</b> Meaning, significance of cost of capital, components of cost of capital – Computation of Cost of capital and Weighted Average Cost of Capital, CAPM-Practical Problems.</p> <p><b>Leverages: Meaning,</b> Types of Leverages – operating, financial and combined leverage, risk and leverage – practical problems.</p> <p><b>Working Capital:</b> Meaning of working capital, types of working capital, working capital cycle, adequate working capital, determinants of working capital, estimation of working capital-Practical problems.</p> <p><b>Management of cash. Management of inventory and debtors (theory)</b></p>	14	25
4.	<p><b>Capital Budgeting and Dividend policy</b></p> <p><b>Capital Budgeting:</b> Meaning, Importance, Need, Time value of money-Present and Future Value (Simple Problems),</p> <p><b>Capital budgeting process:</b> project appraisal by using traditional methods and modern methods, Practical simple problems on Payback Period, Net Present Value, Profitability Index, IRR</p> <p><b>Dividend policy-</b>Meaning, Kinds, Theories of dividend decisions, determinants of dividend policy decisions, Companies Act, 2013 and SEBI Guidelines on Dividend Distribution. (theory only)</p>	13	25
5.	<p><b>Practical:</b> Students must select industry and choose a company of their choice to understand capital structure, dividend decisions, working capital management of the company</p>	15	CEC
	<b>Total</b>	<b>60</b>	<b>100</b>



# GUJARAT TECHNOLOGICAL UNIVERSITY

Program Name: Bachelor of Business Administration

Level: UG

Course / Subject Code: BB04001021

Course / Subject Name: Financial Management

## Suggested Specification Table with Marks (Theory):

Distribution of Theory Marks (in %)					
R Level	U Level	A Level	N Level	E Level	C Level
10	30	30	20	10	0

Where R: Remember; U: Understanding; A: Application, N: Analyze and E: Evaluate C: Create (as per Revised Bloom's Taxonomy)

## Suggested Case studies

1. Simple cases on Time value of money
2. Simple cases on Capital budgeting
3. Cases on ESG and value creation
4. Simple cases on cost of capital
5. Mini cases on sources of long-term finance (IPO)

## References/Suggested Learning Resources:

### (a) Books:(Latest Editions)

Sr No.	Title of the Book	Author	Publication House
1	Financial Management	Khan, M, Y, & Jain, P, K	Tata Mc Graw Hill
2	Financial Management	Chandra, P.	Tata McGraw Hill Book Co New Delhi, India
3	Financial Management	Pandey, I.M.	Vikas Publishing House, New Delhi, India
4	Financial Management	Kumar, A.	Khanna Publishing House
5	Fundamentals of Financial Management	Brigham and Houston	Cengage Learning

### (b) Open-source software and website:

1. Visit respective companies' website to understand their finance functions

## Suggested Project List:

1. Study the annual reports of NSE listed few companies to understand the capital structure over the years
2. Study the annual reports of the company to understand the dividend policy over the years
3. Visit MSME around and understand their cash management



# GUJARAT TECHNOLOGICAL UNIVERSITY

Program Name: Bachelor of Business Administration

Level: UG

Course / Subject Code: BB04001021

Course / Subject Name: Financial Management

4. Visit MSME around and understand their inventory management
5. Visit MSME around and understand their debtor's management
6. Visit MSME around and understand their short term and long-term sources of funds

### Suggested Activities for Students:

Implement innovative pedagogy to engage the students in understanding the concepts

### CO- PO Mapping:

Semester 4	Subject Name : Financial Management				
	POs				
Course Outcomes	PO1	PO2	PO3	PO4	PO5
CO1	3	2	1	2	2
CO2	2	3	2	2	2
CO3	3	2	1	1	2
CO4	3	2	1	1	1
CO5	2	2	1	2	1

Legend: '3' for high, '2' for medium, '1' for low and '-' for no correlation of each CO with PO.

\* \* \* \* \*