

B. COM
SEMESTER –VI
(FINANCIAL MANAGEMENT)
(100 Marks -75 Lectures)

UNIT-I: Dividend Policy

(15 Marks – 10 Lectures)

Meaning of Dividend & Dividend Policy, Determinants of Dividend Policy-- Dividend Payout Ratio, Stable dividends & the other determinants; forms of dividends (*cash dividend, scrip dividend, stock dividend & property dividend*). Types of Dividend – Interim dividend and Final Dividend.

Models in which investment & dividend decisions are related:

- (i) Walter's Model & Gordon's Model
- (ii) M.M. Hypothesis (Modigliani & Miller)

UNIT-II: Working Capital Management

(25 Marks – 20 Lectures)

Nature & Concept of Working Capital, need for working capital, importance of working capital, types of working capital, determinants of working capital, sources of working capital (in brief); Estimation & Computation of working capital.

UNIT-III: Management of Cash

(20 Marks – 12 Lectures)

Cash management- Introduction, Objectives; motives of holding cash, factors determining cash needs, strategies employed to manage cash needs, techniques for speedy cash collection and techniques for slowing disbursements. Preparation of cash Budget. (Simple problems on the Receipts and Payments method)

UNIT-IV: Receivables Management

(15 Marks – 10 Lectures)

Introduction, objectives of receivables management, cost associated with accounts receivables, factors influencing the size of receivables; decision areas in receivables management-credit policies, credit terms and collection policies.

UNIT-V: Inventory Management

(25 Marks – 20 Lectures)

Introduction, objectives, motives of holding inventory, cost & benefits of holding inventory, techniques of inventory management--

- (i) ABC analysis,
- (ii) EOQ (Problems on the formula method)
- (iii) VED analysis,
- (iv) various levels of stores:

- (a) Re-order level
- Maximum level

- (b) Minimum level
- (c)
- (d) Average level

Problems on:

1. Estimation of Working Capital.
2. Cash Budget. (Simple problems on the receipts and Payments method)

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3. Techniques of Inventory Management--- EOQ & Various Levels of Inventory.

Books for Study and Reference:

- 1. Financial Management, Theory & Practice- Prasanna Chandra (Tata McGraw Hill)**
- 2. Financial Management, I.M Pandey (Vikas Publishing Home)**
- 3. Financial Management, Khan & Jain (Tata McGraw Hill)**
- 4. Financial Management, S.C Kuchhal (Chitanya Publishing House)**
- 5. Financial Management, Sharma & Shashi Gupta (Kalyani Publishers)**
- 6. Fundamentals of Financial Management, James C. Vanhorne (Prentice hall of India)**
- 7. Indian Financial System, Phatak**
- 8. Investment Management; Preeti Singh (Himalaya Publishing House)**
- 9. Financial Management-Principles and Practice; G.Sudarsana Reddy (Himalaya publishing House)**
- 10. Financial Management- Dr.P.C.Tulsian (S.Chand & Co Lt)**
- 11. Fundamentals of Financial Management- Vyuptakesh Shavam (Pearson)**

