

Syllabus

PANJAB UNIVERSITY

BBA, (2ND SEMESTER)

BBAS126 : FINANCIAL MANAGEMENT

Objective : *The objective of the paper is to familiarize the students with principles and practices of financial management.*

Unit – I

Financial Management : Meaning, Scope and Objectives of Financial Management, Time Value of Money – Compounding Techniques and Discounting Techniques, Risk and Return.

Capital Budgeting : Meaning, Types, Process, Techniques of Capital Budgeting –Payback Period Method, Accounting Rate of Return, Net Present Value (NPV) Net Terminal Value Method, Internal rate of Return (IRR), Profitability Index.

Cost of Capital : Determination of Cost of Capital, Components of Cost of Capital, Computation of Cost of Debt, Equity Capital, Preference Share Capital and Retained Earnings, Weighted Average Cost of Capital (WACC) and Marginal Cost of Capital.

Unit – II

Sources of Finance

Capital Structure, Meaning, Types of Leverage, Determinants of Capital Structure. Theories of Capital Structure.

Working Capital Management : Meaning, Types, Factors Affecting Working Capitals, Working Capital Planning and Management, Working Capital Forecasting, Methods of Estimating Working Capital.

Dividend Policy – Relevance and Irrelevance Theories.