

# Veer Narmad South Gujarat University

## Financial Management I

S.Y. B.B.A., Semester III

Effective from June 2012

---

- 1. INTRODUCTION: FINANCIAL SYSTEM AND FINANCIAL MANAGEMENT** **30%**
- Financial Markets: Role, Types, Structure,
  - Financial Intermediaries: Meaning, Structure
  - Financial Assets: Meaning, Types
  - Evolution of FM-3
  - Goals of FM: Profit Maximization and Shareholders/ Wealth Maximization
  - Relationship of FM with other disciplines Economics, Accounting and other
  - Management areas
  - Finance Function
  - Functions of Finance Manager
- 2. SOURCES OF LONG TERM FINANCE AND LEASING & HIGHER PURCHASE** **50%**
- Features, Merits and demerits of raising the following forms of finance from the point of view of investor/lender and company
  - Retained Earning
  - Equity Shares
  - Right Shares (Brief Idea)
  - Preference Shares
  - Debentures
  - Term Loans
  - Global Depository Receipt (GDR)
  - Venture Capital in India
  - Leasing and Higher Purchase
- 3. LEVERAGES (EXAMPLES)** **10%**
- Operating Leverage
  - Financial Leverage
  - Combine/Total Leverage
- 4. CAPITALISATION** **10%**
- Concept of Capitalisation
  - Actual and proper Capitalisation
  - Over capitalisation: Meaning, Symptoms, Merits, Demerits, Remedial Measures
  - Undercapitalization: Meaning, Symptoms, Merits, Demerits, Remedial Measures

### Reference Books

1. Financial Management Theory Practive by Prasanna Chandra, Tata McGrow Hill Publication)
2. Financial Management Theory and Practice by Khan & Jain (Tata McGrow Hill Publication)
3. Financial Management by I.M.Pandey (Vikas Publicatin)
4. Financial Management by D. Chandra Bose (PHI Learning Private Limited, 2001)
5. Essentials of Business Finance by R.M.Shrivastava (Himalaya Publishing House)