

**ANDHRA KESARI UNIVERSITY**




**MINOR**

**Subject: : FINANCIAL MANAGEMENT**

**w.e.f. AY 2023-24**

**COURSE STRUCTURE**

<b>Year</b>	<b>Semester</b>	<b>Course</b>	<b>Title of the Course</b>	<b>No. of Hrs /Week</b>	<b>No. of Credits</b>
I	II	1	Fundamentals of Financial Management	4	4

  
**Dr. N. SREENIVASA CHARYULU**  
Chairman B.O.S. (U.G) Commerce  
A.K. University, ONGOLE.

## SEMESTER-II

### COURSE 1: FUNDAMENTALS OF FINANCIAL MANAGEMENT

Theory

Credits: 4

4 hrs/week

#### Course Objectives:

1. To enable the students to understand the various functions of financial management.
2. To acquire knowledge on financing decisions.
3. To gain knowledge on Long term Investment decisions.
4. To impart knowledge on Short term Investment decisions.
5. To acquire knowledge on Dividend decisions.

#### UNIT – I: FINANCIAL MANAGEMENT

Meaning, Nature, Scope of financial management. Financial management goals: Profit maximization, Wealth maximization. Finance functions- Investment, financing and Dividend Decisions.

#### UNIT – II : COST OF CAPITAL

Meaning and significance of cost of capital, Calculation of cost of debt, Preference Capital, Equity Capital and retained earnings. Capital structure, Theories of Capital structure: Traditional and MM Hypothesis, Determining capital structure in practice, Capital structure planning, Operating and Financial leverages.

#### UNIT – III : CAPITAL BUDGETING

Nature of investment decisions; investment evaluation criteria - Accounting Rate of Return, Payback Period, Net Present value, Internal Rate of Return and Profitability Index.

#### UNIT – IV : WORKING CAPITAL

Meaning, significance and types of working capital; Determinants of Working Capital, Sources of working capital; Management of Inventories, Management of Cash; management of Accounts Receivables.

#### UNIT – V : DIVIDEND DECISIONS

Types of dividend, Dividend Models, Determinants of dividend policies, Practical aspects of dividend.

**Recommended Books:**

1. Khan & Jain, Financial management ,TMH Publishers.
2. I M Pandey financial management, Vikas publications
3. Prasanna Chandra financial management, TMH publishers
4. R K Sharma & Seshi Guptha financial management, Kalyani publishers
6. Rohit Srivastav financial management, Oxford publishers

  
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ANDHRA KESARI UNIVERSITY-ONGOLE, PRAKASAM DISTRICT  
Minor Programme from the Year 2023-24 Onwards  
Programme-Financial Management-Question Paper model,  
First Year-Semester-II  
Course1 – Fundamentals of Financial Management

Time: 3 Hours

Total Marks: 75

PART –A

Answer any Five of the following

5X5=25 Marks

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10

PART –B

Answer the following

5x10=50 Marks

- 11a.
- 11b.
- 12a.
- 12b.
- 13a.
- 13b.
- 14a.
- 14b.
- 15a.
- 15b.

Or

Or

Or

Or

Or

  
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