

PRINCIPLES OF FINANCE

Semester II	Subject Code: BB21503	Lectures: 48
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Objectives:






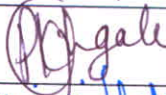
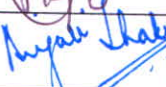
The syllabus aims in equipping students with –

- A basic understanding of finance function
- Appreciating the importance of Financial Management for a Business Organization
- A thorough understanding of the various sources of finance available to a Company
- Imbibing knowledge about the importance and application of Capital Structure and Capitalization Decisions
- Familiarizing with the emerging trends in sources of finance

Unit 1: Introduction

**08
Lects**

1.1 Finance – Meaning and Definition, Features, Scope	02
1.2 Financial Management – Meaning, Approaches – Traditional Approach and Modern Approach	02
1.3 Objectives of Financial Management-Profit Maximization Objective, Wealth Maximization Objective, Value Maximization Objective, Other Objectives	02
1.4 Importance of Financial Management, Organization chart of Finance Function, Reasons for Centralizing Finance Function	02

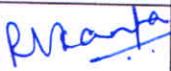
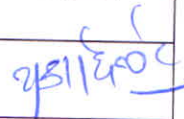



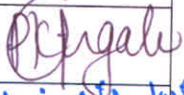
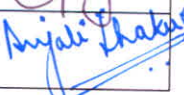
NAME	SIGN	NAME	SIGN
Prof. Mrs. Rekha Kankariya		Dr. Yashodhan Mithare	
Dr. Mrs. Deepika Chadda		Dr. John Gilbi	
Prof. Mrs. Minakshi Balkawade		CA Mr. Pramod Gugale	
		Ms. Anjali Thakur	



Unit 2: Short Term Sources of Finance	10 Lects
2.1 Classification of Sources of Finance	01
a) According to term-short term and long term	
b) According to ownership-Owned sources and Borrowed sources	
c) According to form of assistance – Fund Based and Non Fund Based	
2.2 Short Term Sources–Trade Credit, Factoring of Book Debts, Working Capital Finance from Banks-Cash Credit, Bank Overdraft, Bill Discounting, Letter of Credit, Bank Guarantee	07
2.3 Other Sources of Finance - Commercial Papers, Certificate of Deposits	02

Unit 3 : Medium and Long Term Sources of Finance	10 Lects
3.1 Medium Term and Long Term Sources – Equity Shares, Preference Shares- Types, Debentures – Types , Public Deposits and Leasing	10

Unit 4: Capital Structure and Capitalization	14 Lects
4.1 Capital Structure-Meaning, Capital Structure and Financial Structure	02
4.2 Optimum Capital Structure, Factors affecting Capital Structure Decisions- Internal Factors, External Factors, General Factors	02
4.3 Capitalization-Meaning and Definition, Theories of Capitalization-Cost Theory and Earnings Theory	02
4.4 Actual Capitalization Vs. Proper / Fair Capitalization	02
4.5 Over-Capitalization-Meaning, Causes, Consequences and Remedies	03
4.6 Under-Capitalization-Meaning, Causes, Consequences and Remedies	03

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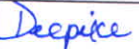
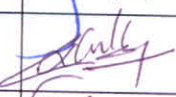

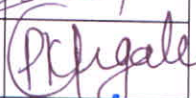


Unit 5: Recent Trends in Finance	06 Lects
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5.1 Mutual Funds	02
5.2 Venture Capital	02
5.3 Angel Financing	02

Recommended Text Books:
<ul style="list-style-type: none"> • Financial Management by Dr. N.M.Vechalekar • Financial Management by Satish M. Inamdar (Everest Publishing House) • Principles of Finance for FYBBA (Nirali Prakashan) • Principles of Finance for FYBBA (Thakur Publishers)

Reference Books:
<ul style="list-style-type: none"> • Financial Management by M.Y.Khan and P.K.Jain (Tata McGraw-Hill Publishing Company Ltd.) • Financial Management by Prasanna Chandra (Tata McGraw Hill) • Advanced Financial Management by M.A.Kohok (Everest Publishers) • Financial Management by Ravi M. Kishore (Taxmann Publications (P) Ltd.) • Financial Management by S.Kr. Paul New Central Book Agency (P) Ltd., Kolkata • Financial Services and Markets by Dr. S Guruswamy (Thomson Publications) • Financial Institutions and Markets by L.M.Bhole and M. Jitendra (Tata McGraw)

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