

Role in export promotion and import substitution, forex earning and augmenting and meeting local demand.

Suggested Readings:

1. Holt : Entrepreneurship – New Venture Creation, Prentice Hall of India.
2. Prasanna Chandra : Project Preparation, Appraisal, Implementation, Tata McGraw Hill, New Delhi
3. Pandey I.M.: Venture Capital – The Indian Experience, Prentice Hall of India.
4. Srivastava, S.B.: A Practical Guide to Industrial Entrepreneurs, Sultan Chand & Sons, New Delhi.
5. Siner, A. David : Entrepreneurial Megabucks, John Wiley & Sons, New York.
6. Tandon, B.C. : Environment and Entrepreneur, Chugh Publications, Allahabad.

BANKING & BUSINESS ECONOMICS

3.6 FINANCIAL MANAGEMENT (Code No. 3841)

Objective

The objective of this course is to help students understand the conceptual framework of financial management

COURSE CONTENTS

UNIT – I : BUSINESS FINANCE

Meaning, Nature, Scope, Objectives, Financial Goals, Profit Vs Wealth Maximization, Role of Financial Function of Business, Management and organization of finance, changing role of finance and finance manager, traditional and modern approach, time value of money, calculation of simple and compound interest, calculation of YTM.

UNIT – II : CAPITAL STRUCTURE

Optimum capital Structure, determinants of Capital structure, Financial Planning, Corporate securities-Equity shares, Preference shares, kinds, advantage and disadvantages of preference shares, stock exchange function, stock exchange operations, debentures, kinds Importance and limitations, cost of equity, cost of debenture, cost of preference share, retained earnings and weighted average cost of capital (WACC).

UNIT – III : CAPITALIZATION

Meaning, difference between capital and capitalization, estimation of capital requirements, theories of capitalization-Definitions, causes disadvantages and remedies to over capitalization and under capitalization. Selection of security mix, operating and financial leverage. EBIT, EPS analysis.

UNIT – IV : FINANCE FORECASTING

New instruments of Financing, hybrid debt instruments, their characteristics and benefits, Derivatives-Characteristics, forward and future contracts – participants and mechanism, options-Call and Put, Pricing of Options, Factors affecting Pricing of Options. Financial