

## Basics of Finance

<b>Course Category:</b>	Open elective											<b>Credits:</b>	3		
<b>Course Type:</b>	Theory											<b>Lecture-Tutorial-Practical:</b>	3-0-0		
<b>Prerequisites:</b>	<b>Basics of Finance</b>											<b>Continuous Evaluation:</b>	30		
												<b>Semester End Evaluation:</b>	70		
												<b>Total Marks:</b>	100		
<b>Course Outcomes</b>	Upon successful completion of the course, the student will be able to:														
	<b>CO1</b>	To understanding of the basics of finance and objective of finical management													
	<b>CO2</b>	The ability knowledge in financial planning and implementation of financial plans													
	<b>CO3</b>	To understanding problems of over-capitalisation and under-capitalisation													
	<b>CO4</b>	To know about time value of money and financial forecast													
<b>CO5</b>	The capability to analyse various sources of loans and identify the best source of loan for finance.														
<b>Contribution of Course Outcomes towards achievement of Program Outcomes</b>		<b>PO1</b>	<b>PO2</b>	<b>PO3</b>	<b>PO4</b>	<b>PO5</b>	<b>PO6</b>	<b>PO7</b>	<b>PO8</b>	<b>PO9</b>	<b>PO10</b>	<b>PO11</b>	<b>PO12</b>	<b>PSO1</b>	<b>PSO2</b>
	<b>CO1</b>	3	3		2								3	3	
	<b>CO2</b>	3	3		2								3	3	
	<b>CO3</b>	3	3		2								3	3	
	<b>CO4</b>	3	3		2								3	3	
	<b>CO5</b>	3	3		2								3	3	
	<b>1- Low</b>				<b>2-Medium</b>				<b>3-High</b>						
<b>Course Content</b>															
<b>UNIT-1</b>	<b>Introduction:</b> Business Finance Defined-Traditional and Modern Views; Scope and Functions of Finance; Finance Function vs. Accounting Function; Objectives of Financial Management-Profit Maximization vs. Wealth Maximization.													<b>CO1</b>	
<b>UNIT-2</b>	<b>Financial Planning:</b> Concept of Financial Planning; Process of Financial Planning; Characteristics of Sound Financial Plans; Factors Affecting Financial Plan.													<b>CO2</b>	
<b>UNIT-3</b>	<b>Capitalisation and Capital Structure:</b> Concept, Nature and Scope of Capitalisation; Earnings Theory and Cost Theory of Capitalisation; Over-Capitalisation; Under-Capitalisation; Capital Structure Theories and Factors Determining Capital Structure													<b>CO3</b>	
<b>UNIT-4</b>	<b>Financial Forecasting and Time Value of Money:</b> Concept of Financial Forecasting; Sales Forecast; Income Forecast; Financial Position Forecast; Forecasting for Growth and External Funds Requirements; Time Value of Money-Discounting and Compounding.													<b>CO4</b>	
<b>UNIT-5</b>	<b>Pattern of Capital Requirements:</b> Long-Term and Medium-Term Financing – Purpose, Sources and Instruments; Short-Term Financing-Purpose, Sources and Instruments.													<b>CO5</b>	
<b>Learning Resources</b>															
<b>Text Books</b>	1. Brealey, Richard A and Steward C. Myers: Corporate Finance, McGraw Hill, Int.Ed., New York.														
	2. Chandra, Prasanna : Financial management, Tata Mc Graw Hill, Delhi.														
	3. Hampton, John: Financial Decision Making, Prentice Hall, Delhi.														
	4. Pandey, I.M.: Financial Management, Vikas Publishing House, Delhi.														
	5. Van Horne, J.C. and J.M. Wachowicz Jr. : Fundamentals of Financial Management, Prentice-Hall, Delhi.														
<b>Reference Books</b>	1. Van Horne, James C Financial Management ; Harper and Row, New York.														
	2. Pinches, George E : Essentials of Financial Management ; Harper and Row, New York.														
	3. Khan MY, Jain PK : Financial Management ; Tata McGraw Hill, New Delhi.														
	4. Archer, Stephen, H., Chate G Marc, Racette, George; Financial management ; John Wiley, New York.														
	5. Block, Stanley B, Geoffrey A Hilt : Foundations of Financial Management ; Richard D. Irwin, Homewood.														