



BBA

Semester II

Calicut University

Financial Management

Course Code: BBA2CJ102 • Module SYLLABUS Notes

Course Syllabus

Course Code: BBA2CJ102 | **Course Title:** Financial Management | **Semester:** II

Module I: Overview of Financial Management & Time Value of Money

- Unit 1: Meaning, Scope, Objectives of Financial Management (Profit vs Wealth Maximization).
- Unit 2: Role of Financial Managers, Agency Problem & Corporate Governance.
- Unit 3: Time Value of Money – Present Value, Future Value, Annuities, Compounding.
- Unit 4: Financial Systems – Money Market, Capital Market, Financial Instruments.

Module II: Cost of Capital & Capital Structure Decisions

- Unit 5: Cost of Capital – Cost of Debt, Preference Shares, Equity, Retained Earnings.
- Unit 6: Weighted Average Cost of Capital (WACC) Calculation.
- Unit 7: Capital Structure Theories – Net Income, Net Operating Income, MM Hypothesis, Traditional.
- Unit 8: Leverage Analysis – Operating, Financial, and Combined Leverage.

Module III: Capital Budgeting Decisions

- Unit 9: Nature and Process of Capital Budgeting & Cash Flow Estimation.

- Unit 10: Non-Discounting Techniques – Payback Period, Accounting Rate of Return (ARR).
- Unit 11: Discounting Techniques – Net Present Value (NPV), Internal Rate of Return (IRR).
- Unit 12: Profitability Index (PI), Comparison of NPV vs IRR, Capital Rationing.

Module IV: Working Capital Management & Dividend Decisions

- Unit 13: Working Capital Concepts – Operating Cycle, Determinants, Cash Management.
- Unit 14: Receivables Management (Credit Policy) & Inventory Control (EOQ, ABC).
- Unit 15: Dividend Policy Determinants & Models (Walter, Gordon, MM Hypothesis).
- Unit 16: Types of Dividends, Stock Splits, and Share Buybacks.

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