

Financial Management I							
Credit:	1.0	Faculty:	Ram Kumar Kakani	Sessions:	10	Group Work	3

Course Objective:

The course provides necessary exposure to the students on the basics of financial management. It is to inculcate a broad level of business awareness among the GMBA students. The objective of the course is also to acquaint the students with the issues of Capital Budgeting, Working Capital Management, Financial Analysis and Valuation of Securities (where emphasis is laid on sound concepts and their managerial implications).

Prescribed Material & Course Organization:

The course material will comprise of, (a) Book titled "Fundamentals of Corporate Finance" by Ross, Westerfield, and Jordon (henceforth known as RWJ); and (b) Book titled "Financial Accounting for Management" by Ramachandran & Kakani (henceforth known as RK).

A session plan with set of readings for each session is given. While every session has a relevant chapter reading assigned, there are several additional sources (including a few web resources), which students may find interesting to go through depending on their areas of interest. The list of readings as well as the session plan is tentative and would evolve depending on how the course proceeds. Your active participation is vital in this course and I would expect you to put in as much effort as possible. If you have any problems please feel free to seek support/discussions even outside the class time. My office extension is 108. Email is ram.kakani@spjain.org

Each individual student will also be required to carry out an extensive assignment that would be declared within the next few days. Students may also have to use PROQUEST, EBSCO, and databases like PROWESS and ISI Emerging Markets while doing the assignment.

Other Study Material:

The course text books and course material (to be distributed in the class from time to time) comprises of both theories and problems (wherever applicable). These should not be considered as exhaustive under any circumstances. Cases and additional notes will be distributed in the class from time to time. Should the students feel that they need more detailed notes/material for a particular topic – they can get in touch with me.

Other Course Policies:

Students are expected to have their own calculators during the class/examinations.

Exams → The end-term exam will be comprehensive meaning you will be responsible for all the material covered (lectures and review sheets) in the course.

Class Participation → I will sometimes randomly call on people to present their case/assignment solutions and at other times I will allow people to volunteer to present their homework solutions. Class participation marks will also be based on participation in class discussion, attendance, and being on time.

Additional Readings:

- Fundamentals of Financial Management by Van Horne & Wachowicz
- Principles of Managerial Finance by Lawrence J. Gitman, Pearson Education
- Corporate Finance by Ross, Westerfield, & Jaffe
- Cash & Working Capital Management by Srinivasan
- Introduction to Financial Management by Halloran & Lanser
- Principles of Corporate Finance by Brealey & Myers
- Financial Management Theory and Practice by Prasanna Chandra
- Financial Management and Policy by Van Horne
- Financial Management and Policy by V. K. Bhalla
- Essentials of Managerial Finance by Weston & Brigham

Any book one of the above titles (or related titles) in the library

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Pedagogy:

The pedagogy will comprise lectures, learning based on examples and caselet-based analysis-cum-discussions, and project work.

Evaluation

	Weightage
Mid-term Examination / Surprise Quizzes*	25%
Group Work / Class Participation	10%
End-term Examination* Part of this could be based on Individual/Group Project	40%
Project Work To deepen students' ability to apply the course skills in a practical context, they will have to work in an individual project. The project details would be distributed in one of the classes.	25%

* indicates some questions will carry negative marks also

Tentative Session Plan

Session	Theme	Prior Reading
1	The Role of Financial Management	Chapter 1 in Van Horne & Wachowicz, Chapter 1 in Brealey & Myers Relevant Chapter of RWJ
2	The Business, Tax, and Financial Environments	Chapter 2, 3 in Van Horne & Wachowicz Chapter 2 in Halloran & Lanser Chapters 2 & 3 in Brealey & Myers Relevant Chapter of RWJ
3	Valuation of Bonds & Debentures	Relevant Chapter of RWJ Chapter 5 in Prasanna Chandra Chapter 23 in Brealey & Myers
4	Valuation of Shares	Relevant Chapter of RWJ Chapter 4, 5 in Brealey & Myers Chapter 5 in Prasanna Chandra
5	Financial Statement Analysis, Future Financial Health	Relevant Chapter of RK Chapter 6 in Van Horne & Wachowicz Chapter 3 in Halloran & Lanser
6 (Group Work)	Financial Statement Analysis, Future Financial Health	Relevant Chapter of RK Chapter 6 in Van Horne & Wachowicz Chapter 3 in Halloran & Lanser
7	Statement of Cash Flows	Relevant Chapter of RK Chapter 6 in Van Horne & Wachowicz Chapter 3 in Halloran & Lanser
8 (Group Work)	Statement of Cash Flows	Relevant Chapter of RK Chapter 6 in Van Horne & Wachowicz Chapter 3 in Halloran & Lanser

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Session	Theme	Prior Reading
9	Capital Budgeting and Estimating Cash Flows	Relevant Chapter of RWJ Chapter 12 in Van Horne & Wachowicz Chapters 5, 6 & 9 in Brealey & Myers
10	Capital Budgeting Techniques	Relevant Chapter of RWJ Chapter 13 in Van Horne & Wachowicz Chapters 9 & 10 in Halloran & Lanser
11 (Group Work)	Capital Budgeting & Risk	Relevant Chapter of RWJ Chapter 14 in Van Horne & Wachowicz Chapter 13 in Prasanna Chandra
12	Financial Planning	Relevant Chapter of RK Chapter 28, 29 in Brealey & Myers Chapter 32 in Prasanna Chandra Chapter 27 in Van Horne
13	Cash Management, Credit Management, and Inventory Management	Relevant Chapter of RWJ Chapter 30, 31 in Brealey & Myers Chapter 24, 25, 26, and 27 in Prasanna Chandra
14	Cash Management, Credit Management, and Inventory Management	Relevant Chapter of RWJ Chapter 30, 31 in Brealey & Myers Chapter 24, 25, 26, and 27 in Prasanna Chandra

Please note that the above sequence plan is tentative (and would be altered based on initial class experience).