

KLE Society's
Lingaraj College, Belagavi
(Autonomous)

Department of **BBA : IV Semester**

Financial Management - II
(w.e.f. 2017-18 and onwards)

Teaching hours per week – 04 :	Maximum Marks	:	100 Marks
	Semester End Examination	:	70 Marks
	Internal Assessment	:	30 Marks

Course Outcome:

At the end of this course students will be able to:

1. Identify & calculate Working capital requirement, operating and cash flow cycles.
2. Understand Indian financial system with specific reference to capital markets.
3. Analyze and interpret the source of long term finance to firms.
4. Learn, calculate and interpret lease finance and hire purchase as a source of long term corporate finance.
5. Understand foreign exchange markets, forex & participants cross currency calculation etc.

Syllabus

MODULES	Syllabus	HOURS
Module 1	Working Capital Management & Short term Finance <ul style="list-style-type: none"> ▪ Meaning and Factors influencing Working Capital ▪ Operating Cycle and Cash Cycle ▪ Working Capital Financing – Accruals, Trade Credit, Commercial Bank Financing, Public Deposits, Inter-Corporate Deposits, Commercial paper and Factoring 	10
Module 2	Introduction to Financial System <ul style="list-style-type: none"> ▪ The Financial System: Functions, Financial Asset, Financial Intermediaries & Regulatory Infrastructure. ▪ Financial Markets – Primary Market & Secondary Markets, Meaning, functions and classification ▪ Capital Market and Money Market – Meaning, Instruments, Types and Differences between Primary and Capital Market 	10
Module 3	Sources of Long term Finance <ul style="list-style-type: none"> ▪ Equity Capital, Retained Earnings, Preference Capital, Debenture Capital and Term Loan ▪ Raising Long Term Finance – Public Issue, Rights Issue and Private Placement 	10
Module 4	Leasing and Hire Purchase <ul style="list-style-type: none"> ▪ Leasing – Meaning and Types ▪ Financial Evaluation of a Lease ▪ Hire Purchase Arrangement 	08
Module 5	Foreign Exchange Orientation & FDI	10

	<ul style="list-style-type: none"> ▪ International Finance: Exchange Rate, ▪ Arbitrage Process as a Means of Attaining Equilibrium On Spot Markets, Arbitrage in Forward Market; ▪ Managing of Foreign Exchange Risk: Foreign Exchange Risk Management, ▪ Management of Economic exposure, Management of Operating Exposure; Raising Foreign Currency ▪ Foreign Direct Investment ▪ FDI in India - private placements or preferential allotments ▪ A comparative study between India and China ▪ Foreign Institutional Investors (FIIS) ▪ SEBI and FIIs 	
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TEXT BOOKS:

1. Fundamentals of Financial Management – Khan and Jain.
2. Fundamentals of Financial Management – Prasanna Chandra.

REFERENCE BOOKS:

1. Chandra, Prasanna, (2011),”Financial Management Theory and Practice”, 8th Edition, TMH, New Delhi.
2. Vanhorne, J, (2015),” Financial Management & Policy”, 13th Edition, Pearson Education, Delhi.
3. Brealey and Myers, (2017),” Principles of Corporate Finance”, 10th Edition, McGraw Hill India.
4. Pandey, I.M, (2015), “Financial Management”, 11th Edition,Vikas Publication, New Delhi.