

DR. BABASAHEB AMBEDKAR OPEN UNIVERSITY
SCHOOL OF COMMERCE & MANAGEMENT
B.B.A. (Bachelor of Business Administration)
(SEMESTER – 4 Credit - 4)
Financial Management

Sr. No.	Unit	Writers Name and Contact No.
1	Introduction of the Financial Management <ul style="list-style-type: none"> • Introduction • Definition & Meaning • Objectives of Financial Management • Importance of Financial Management • Scope of Financial Management • Role and Functions of Finance Manager • Objectives: Profit vs. Wealth Maximization • Exercise 	
2	Sources of finance <ul style="list-style-type: none"> • Introduction • Meaning of finance • Long term & Short-term Sources • Importance of sources of finance • Difference between long term and short-term finance • Types of Long-term sources of finance <ul style="list-style-type: none"> • Equity capital • Preference share capital • Debentures and Bonds • Retained Earnings • Leasing & Hire Purchase • Venture Capital and Private Equity • Exercise 	
3	Time Value of Money and Returns <ul style="list-style-type: none"> • Introduction • Meaning and Concept of TVM • Importance in Financial Decision Making • Concept of Present value • Concept of Future value • Compounding & Discounting Techniques • Illustrations • Exercise 	
4	The Cost of Capital <ul style="list-style-type: none"> • Introduction • Meaning & definition • Objectives of Measuring cost of capital • Types of Cost • Component of costs of capital • The weighted average cost of capital • Illustrations • Exercise 	

5	Operating Leverage <ul style="list-style-type: none"> • Introduction • Meaning of Operating Leverage • Advantages of Operating Leverage • Limitations/Risk of Operating Leverage • Formula/Degree of Operating Leverage • Indicators of Operating Leverage • Illustrations • Exercise 	
6	Financial & Combined Leverage <ul style="list-style-type: none"> • Introduction • Meaning of Financial & Combined Leverage • Advantages of Financial Leverage • Limitations/Risk of Financial Leverage • Formula/Degree of Financial & Combined Leverage • Indicators of Financial Leverage • Effect on Earning per Share • Illustrations • Exercise 	
7	Capital Structure theories <ul style="list-style-type: none"> • Introduction • Factors affecting capital structure • Capital structure theories: <ul style="list-style-type: none"> ▪ Net Income Approach ▪ Net Operating Income Approach ▪ MM Approach ▪ Traditional Approach • Exercise 	
8	Capital Budgeting Decisions <ul style="list-style-type: none"> • Introduction • Meaning and concept • Features of capital Budgeting • Importance of Capital Budgeting • Techniques of capital budgeting <ul style="list-style-type: none"> ▪ Traditional Methods: Payback & ARR • Illustration • Exercise 	
9	Principles of Working capital Management <ul style="list-style-type: none"> • Introduction • Concepts of working capital • Operating & Cash Conversion cycle • Permanent and variable working capital • Balanced working capital • Determinants of working capital • Exercise 	
10	Cash Management <ul style="list-style-type: none"> • Introduction • Objectives of Cash Management • Importance of Cash Management • Motives for Holding Cash • Techniques of Cash Management (Baumol, Miller orr) 	

	<ul style="list-style-type: none"> • Exercise 	
11	<p>Inventory Management</p> <ul style="list-style-type: none"> • Introduction • Nature of inventories • Need to hold inventories • Objectives of inventory management • Importance of Inventory Control • Inventory management techniques <ul style="list-style-type: none"> ▪ EOQ ▪ ABC Analysis ▪ VED Analysis ▪ JIT • Exercise 	
12	<p>Receivables Management</p> <ul style="list-style-type: none"> • Introduction • Objectives of receivables management • Factors affecting receivables • Credit policy: nature and goals • Monitoring receivables • Exercise 	
13	<p>Financial planning</p> <ul style="list-style-type: none"> • Introduction • Meaning & Importance of Financial Planning • Objectives of financial planning • Steps in financial planning process • Factors Affecting Financial Planning • Limitations of financial planning • Exercise 	
14	<p>Emerging Trends in Financial Management</p> <ul style="list-style-type: none"> • Introduction • Behavioral Finance -Basics • Sustainability & Green Finance- Concept • Fintech & Digital Finance -Concept • AI and Automation in Finance • Crypto Assets & Block Chain in Finance • Exercise 	