

MID-WESTERN UNIVERSITY, FACULTY OF MANAGEMENT
 MASTER IN BUSINESS ADMINISTRATION (MBA), SYLLABUS 2072 (2016)

Course Title		Financial Management
Course Code Number		MGT 524
Credit Hours		03
Year: I		Semester: II
Course Objectives:		
Main Objective		This course aims to provide fundamental foundation of financial management concepts within a business and helps students to develop the understanding of accounting, business, economics and mathematics. Topics like capital budgeting, cost of capital, capital structure and working capital management helps students to understand the return and risk involved in a firm's financial decision.
Enabling Objectives		At the completion of this course, the students will be able to: <ul style="list-style-type: none"> • Develop a foundation of financial management concepts • Use the concept of time value of money • Determine the cost of capital • Design the capital structure • Understand how corporations make important investment and financing decisions, and how they establish working capital policies.
Learning Unit (LU)	Learning Hours (LH)	Contents
LU 1	5	Introduction Introduction to financial management; Profit maximization vs Wealth maximization; Time value of money; Economic value added
LU 2	15	Capital Budgeting Concept of capital budgeting, Capital budgeting process, Project classification Cash flow estimation, Capital budgeting decision rule: Payback & Discounted Payback Method, Accounting Rate of Return, Internal Rate of Return, Net Present Value, Capital Rationing, Risk Adjusted Technique for Capital Budgeting, Sensitivity analysis
LU 3	8	Cost of Capital Cost of debt; Cost of Preference share; Cost of equity share & Retained earnings; Weighted Average Cost of Capital, Factors affecting cost of capital
LU 4	8	Capital Structure Capital structure and financial structure, Factors affecting capital

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		structure, Theories of capital Structure; Designing Capital Structure
LU 5	12	<p>Working Capital Management</p> <p>Concept of working capital, Factors affecting working capital, Estimation of Working Capital, Management of Cash and Marketable Securities, Techniques of Cash Management, Receivable Management: Elements of credit policy, Credit related costs</p> <p>Inventory Management: Basic Inventory Cost, Economic Order Quantity, Reorder Point, and Safety Stock</p>
References		<ol style="list-style-type: none"> 1. Khan & Jain: <i>Financial Management</i>, Tata McGraw Hill 2. I. M. Pandey: <i>Financial Management</i>, Vikas Publisher 3. Bringham & Houhton: <i>Fundamental of Financial Management</i>, Harcourt Publisher 4. Van Horne James C.: <i>Financial Management and Policy</i>, Prentice Hall 5. Joshi, K. R., Gupta, M. K., Lamichhane, P., Shrestha, P. M., Ghimire, T. R. & Gautam, M., <i>Managerial Finance</i>, Ayam Publication, Kathmandu, Nepal.

Net Contact Hour is 48 excluding the exams and tests.

Evaluation Module: 50 percent will be assessed through the internal evaluation and 50 percent will be assessed through end semester examination