

As Per NEP 2020

Tolani College of Commerce (Autonomous)



**Title of the Course: Financial Management-II
(Semester – VI)**

Programme: B.Com (Accounting and Finance)

**Syllabus for 4 Credit Course
From the Academic Year 2025 – 2026**

Name of the Course: Financial Management- II

Sr. No.	Heading	Particulars
1	Description of the course:	The Financial Management course provides a comprehensive understanding of corporate finance strategies, asset valuation, investment decision-making, and financial risk management. The course is designed to equip students with theoretical insights and practical applications in key areas such as mergers and acquisitions, asset-based financing, working capital management, and portfolio optimization. By integrating financial models and valuation techniques, students will develop analytical skills essential for making informed business decisions.
2	Vertical:	Major
3	Type:	Theory
4	Credit:	4 Credits
5	Hours Allotted:	60 Hours
6	Marks Allotted:	100 Marks Continuous Evaluation 40 Marks Semester End Examination 60 Marks
7	Course Objectives:	<ol style="list-style-type: none"> To provide a foundational understanding of mergers and acquisitions, including their types and strategic significance. To apply financial models such as Net Present Value (NPV) and Internal Rate of Return (IRR) in evaluating asset-based financing. To provide an in-depth understanding of working capital financing instruments, including trade credit, bank credit, commercial papers, and factoring. To evaluate asset pricing models such as the Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory
8	Course Outcomes:	<ol style="list-style-type: none"> To Analyze financial data to assess the viability of mergers. To Compare and Assess the financial viability of transactions Evaluate the various forms and security modes of bank credit. Assess the effectiveness of CAPM and APT in pricing financial assets.
9	Modules	
	Module 1: Merger and Acquisition	(15 Hours)
	<ul style="list-style-type: none"> Introduction, Types of Merger and Acquisition Merger and benefits of merger and acquisition. EPS, MPS and Book value commonly used bases for determining the exchange ratio. Evaluation of Merger-Practical sums 	
	Module 2: Asset based Financing	(15 Hours)
	<ul style="list-style-type: none"> Introduction of lease financing - Concepts and Classification Types of Leases, significance and Limitations Hire purchase- Parties to a hire purchase contract and financial evaluation Practical sums on hire purchase(NPV IRR) 	
	Module 3: Working capital Financing	(15 Hours)

	<ul style="list-style-type: none"> • Introduction features and characteristics of trade credit, bank credit, commercial papers certificate of deposit and factoring • Bank credits – Forms of credit and modes of security • Commercial papers –features, functions, types, benefits and Factoring v/s Bill Discounting. • Practical sums on factoring. <p>Module 4: Portfolio Theory and Asset Pricing Models (15 Hours)</p> <ul style="list-style-type: none"> • Introduction to Portfolio Theory – Portfolio return & risk (Two-asset case), diversification benefits. • Risk and Return Analysis – Systematic vs. unsystematic risk, portfolio risk calculation, correlation & covariance. • Modern Portfolio Theory (MPT) – Markowitz model, efficient frontier, Capital Market Line (CML). • Asset Pricing Models – • CAPM: Assumptions, formula, Security Market Line (SML), beta & risk-return tradeoff. • APT: Multi-factor pricing model, comparison with CAPM.
10	<p>Reference Books:</p> <ul style="list-style-type: none"> • "Financial Management: Theory and Practice" – Prasanna Chandra Publisher: McGraw Hill Education Edition: 10th (2019) Location: New Delhi • "Financial Management: Principles and Applications" – Titman, Keown, Martin & Dhanesh Kumar Publisher: Pearson Education Edition: 13th (2017) Location: New Delhi • "Fundamentals of Financial Management" – Eugene F. Brigham & Joel F. Houston Publisher: Cengage Learning Edition: 15th (2018) Location: New Delhi • "Financial Management" – I.M. Pandey Publisher: Vikas Publishing House Pvt. Ltd. Edition: 11th (2015) Location: New Delhi • "Corporate Finance" – Stephen A. Ross, Randolph W. Westerfield & Jeffrey F. Jaffe Publisher: McGraw Hill Education Edition: 12th (2019) Location: New Delhi • "Essentials of Financial Management" – Van Horne & Wachowicz Publisher: Pearson Education Edition: 3rd (2010) Location: New Delhi

Evaluation Pattern

Continuous Evaluation: 40%

Semester End Examination: 60%

Semester End Examination Question Paper Pattern

Maximum Marks: 60

Duration: 2 Hours

All Questions are Compulsory Carrying 15 Marks each.

Q. No.	Particular	Marks
Q-1	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks
Q-2	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks
Q-3	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks
Q-4	A. Practical Question	15 Marks
	OR	
	B. Practical/ Theory Question C. Practical/ Theory Question	08 Marks 07 Marks

Note: Questions of 7/8 marks (Practical/theory) may also be divided as 2 questions of 10/5 marks (Practical/theory) or 1 full length question (Practical/theory) of 15 marks.

Signature of Team Members

Sr. No.	Name	Signature
1	Mr. Murugan Nadar	
2	Mr. Mubeen Shaikh	
3	Ms. Shweta Ghule	