

Course Outline

FINANCIAL MANAGEMENT

for PGCHRM 2009-10 (Batch 8)

Course Instructor: *ram kumar kakani*



XLRI Jamshedpur
School of Business & Human Resources

Contact:

Office – 91 657 398 3104; Email: kakani@xlri.ac.in; in person – During campus visit

Course Objectives:

Business is about making money and playing with money. Hence, as a HR executive, one needs to have a fair idea of essential things about finance. This course provides necessary exposure to the student(s) on the basics of financial management. It is to inculcate a broad level of financial awareness among the PGCHRM students. The objective of the course is to acquaint the students with the key finance concepts and techniques such as understanding financial statements, financial analysis, time value of money, and working capital management, where emphasis is laid on sound concepts and their managerial implications.

Pedagogical Methods:

The course is based on classes, cases, and project work. Active participation by students is an important feature of the course. A variety of quizzes, take home assignments, tests, and case studies are the main pedagogical instruments.

Primary Teaching Book & Reading Material:

“Corporate Finance” by Ross, Westerfield, Jaffe, & Kakani, 8th Edition, Special Indian Edition, Tata McGraw Hill Publications (Higher Education), 2009. [RWJK]

Other Suggested Readings:

1. "How to Read A Profit And Loss Statement" by Ramachandran & Kakani, Tata McGraw Hill Professional Publications, New Delhi, 2009 [RKPL]
2. "How to Read A Balance Sheet" by Ramachandran & Kakani, Tata McGraw Hill Professional Publications, New Delhi, 2009 [RKBS]
3. "Financial Accounting for Management" by Ramachandran & Kakani, McGraw Hill, 2007 [RK]
4. "Financial Management: Theory & Practice" by Prasanna Chandra, McGraw Hill, 2001 [PC]
5. "Financial Management" by I M Pandey, Vikas, 2005 [IMP]
6. "Corporate Finance: A Focused Approach" by Ehrhardt & Brigham, Cengage, 2003 [EB]
7. "Fundamentals of Financial Management" by Van Horne & Wachowicz, EEE Publication, Pearson, 2009 [VW]
8. "Principles of Managerial Finance" by Lawrence Gitman, Pearson, 2000 [LG]

Any other good (introductory) book on Corporate Finance

Study Material

Students will be given a text book as part of the course material. Should the students feel that they need more reading material (or detailed notes) 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 → End-term exam will typically have cases/problems followed by questions. The end-term exam will be comprehensive meaning you will be responsible for all the material covered in the course.

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

System of Evaluation

Method of Evaluation	Marks
Class Attendance/ Participation	10
Take Home Assignment [^]	40
End-term Examination* [^]	50

[^] Please note that non-submission of take home assignment or not attending the end-term examination will lead to 'incomplete' grade being awarded

* Please note that some questions will carry negative marks (for wrong answers)

Grading Pattern

Range of Marks	0-30	31-35	35-40	41-45	46-50	51-60	61-70	71-80	81-100
Grades	F	D	D +	C	C +	B	B +	A	A +

Note: Adjustments in the above could be made to meet the norms of the institute.

Sources of Financial Information:

The following sources apart from **CMIE-PROWESS** have extensive information about corporate world, economy and markets.

- Government-owned Websites: Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), Ministry of Finance – Government of India (*.nic.in)
- Stock Exchange Websites: National Stock Exchange (NSE), and Bombay Stock Exchange (BSE)
- Financial Magazine/Newspaper Websites: Business Standard, Hindu Business Line, Financial Express, Wall Street Journal, Financial Times, Business Today, Economic Times, Economist, etc.
- Other websites: Capital Market, Indiainfoline, Indiabulls, Equitymaster, Sharekhan, iInvestor, CRISIL, CMIE, CapitalIdeasOnline, ICICIMarkets, Motleyfool, World Bank, ICICIDirect, 5paisa, CARE, MoneyControl, Myiris, etc.

TOPICS TO BE COVERED (TENTATIVE):

Session-wise Plan	Suggested Reading
1. Overview of the Financial Management	Chapters 1 and 14 in RWJK Chapter 1 & 2 in PC; Chapter 1 of IMP; Chapter 1 of EB; Chapters 1 & 2 in VW; Chapter 1 of LG
2. The Role of Financial Manager	Chapters 1 and 14 in RWJK Chapter 1 & 2 in PC; Chapter 1 of IMP; Chapter 1 of EB; Chapters 1 & 2 in VW; Chapter 1 of LG
3. Balance Sheet	RKBS Complete Book and Chapter 2 in RK
4. Balance Sheet Analysis & Introduction to the Profit & Loss Statement	RKBS Complete Book, First Few Chapters of RKPL and Chapters 2 & 3 in RK
5. Profit & Loss Statement	RKPL Complete Book and Chapter 3 in RK
6. The Business, Tax, and Financial Environment	Chapter 2 in RWJK Chapter 4 in RK; Chapter 3 in PC; Chapter 24 of IMP; Chapter 9 of EB; Chapter 2 in VW; Chapter 3 of LG
7. Financial Statement Analysis, Future Financial Health – Part I	Chapter 7 in RK and Chapter 3 in RWJK Chapters 30 & 32 in PC; Chapter 25 of IMP; Chapters 10 & 11 of EB; Chapters 6 & 7 in VW; Chapter 4 of LG; Chapter 29 of BMAM
8. Financial Statement Analysis, Future Financial Health – Part II (with a overview of Working Capital Management)	Chapter 7 in RK and Chapter 3 in RWJK Chapters 30 & 32 in PC; Chapter 25 of IMP; Chapters 10 & 11 of EB; Chapters 6 & 7 in VW; Chapter 4 of LG; Chapter 29 of

Session-wise Plan	Suggested Reading
	BMAM
9. Time Value of Money, Valuation of Bonds & Debentures	Chapter 4 in RWJK Chapter 4 in PC; Chapter 26 of IMP; Chapters 2 & 5 of EB; Chapter 3 in VW; Chapter 5 of LG; Chapters 2 & 3 of BMAM
10. Valuation of Shares	Chapter 5 in RWJK Chapters 5 & 33 in PC; Chapter 3 of IMP; Chapter 4 of EB; Chapter 4 in VW; Chapter 7 of LG; Chapter 4 of BMAM

Note:

- ◆ *Please note that the above sequence is tentative (and would be altered based on initial class experience).*
- ◆ *PowerPoint presentations: Session-wise Pdf files would be e-mailed after the session.*