

Course Outline

FINANCIAL MANAGEMENT

for PGCHRM 2015-16 (Batch 20)

Course Instructor: *ram kumar kakani*



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For the greater good

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Introduction:

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. Therefore I will strongly advise you **not** to take the course just as another hurdle that you must clear to get a bullet point on the CV. If you need any extra help in the course, do not hesitate to get in touch with me.

Course Objectives:

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, shareholder value maximization, and simple capital budgeting techniques, 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, class illustrations, and case studies are the main pedagogical instruments.

Primary Teaching Book & Reading Material:

1. "Finance Made Easy" Series (Set of Four Books) by Ramachandran & Kakani, 2nd Edition, McGraw Hill Education, 2013, ISBN: 9789332901421. [FME]

Primary Supporting Material:

2. “Corporate Finance” by Ross, Westerfield, Jaffe, & Kakaní, 10th Edition, Special Indian Edition, McGraw Hill Education, 2014. [RWJK]

Other Suggested Readings:

2. “Financial Accounting for Management” 3/e by Ramachandran & Kakaní, McGraw Hill, 2011 [RK]
3. “Fundamentals of Financial Management” by Van Horne & Wachowicz, EEE Publication [VW]
4. “Principles of Managerial Finance” by Lawrence Gitman, Pearson [LG]

Any other good introductory book on Corporate Finance OR Financial Management

Other Study Materials

Students will be given a 2-4 pdf files of short readings / presentations as part of the course material at the end of each session.

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
Take Home Assignment (minutely adjusted with Class Participation)^	40
End-term Examination*^	60

^ 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, Spaisa, CARE, MoneyControl, Myiris, etc.

TOPICS TO BE COVERED (TENTATIVE):

Session-wise Plan	Suggested Reading
1. Balance Sheet	Book: How to read a Balance Sheet (part of FME)
2. Balance Sheet Analysis & Introduction to the Profit & Loss Statement	Book: How to read a Balance Sheet (part of FME) and How to read a Profit & Loss Statement (part of FME)
3. Profit & Loss Statement	Book: How to read a Profit & Loss Statement (part of FME)
4. Cash Flow and its link to the Business, Tax, and Financial Environment	Book: How to read a Cash Flow Statement (part of FME) And Chapter 2 in RWJK
5. Overview of the Financial Management	Short Reading Note (soft copy will be emailed) OR Chapters 1 and 14 in RWJK
6. The Role of Financial Manager	Short Reading Note (soft copy will be emailed) OR Chapters 1 and 14 in RWJK
7. Financial Statement Analysis, Future Financial Health – Part I	How to analyze Financial Statements (part of FME)
8. Financial Statement Analysis, Future Financial Health – Part II (with overview of Working Capital Management)	How to analyze Financial Statements (part of FME) And Chapter 3 in RWJK
9. Time Value of Money and its Applications	Short Reading Note (soft copy will be emailed) And Chapter 4 in RWJK
10. Capital Budgeting Techniques: Introduction Using Simple Illustrations	Short Reading Note (soft copy will be emailed)

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.*