

# Saraswati Mahila Mahavidyalaya, Palwal

## Lesson Plan :

Name of the Assistant/Associate Professor: *Dr. Promila Bhardwaj, Anju Bala*

Class and Section: *B. Com. III, 6th Semester A, B, C,*

Name of subject: *Financial Management (F.M.)*

Subject Lesson Plan : 18 weeks (from January 2018 to April 2018)

(Note: Prepare as per list of holidays declared by Haryana govt.)

WEEK 1

ASSIGNMENT:

WEEK 1, DAY 1, DATE : 01/01/2018 (MONDAY)

*General Introduction of the subject  
Its relevance in Business world:*

WEEK 1, DAY 2, DATE : 02/01/2018 (TUESDAY)

*Telling the syllabus for the semester and  
Recommending the books and Authors:*

WEEK 1, DAY 3, DATE : 03/01/2018 (WEDNESDAY)

*Chapter 1 Nature and Scope of F.M.  
Meaning, Definitions and characteristics  
of F.M.*

WEEK 1, DAY 4, DATE : 04/01/2018 (THURSDAY)

*Approaches to F.M.: Traditional Approach  
its characteristics and limitations*

WEEK 1, DAY 5, DATE : 05/01/2018 (FRIDAY)

**Holiday on account of Guru Govind Singh's Birthday**

WEEK 1, DAY 6, DATE : 06/01/2018 (SATURDAY)

App. to F.M. : Modern Approach and its characteristics and relevance.

WEEK 2

ASSIGNMENT:

WEEK 2, DAY 1, DATE : 08/01/2018 (MONDAY)

Functions and Importance of F.M.

WEEK 2, DAY 2, DATE : 09/01/2018 (TUESDAY)

Objectives of F.M. : Profit Maximisation  
Argument in Favour and Against

WEEK 2, DAY 3, DATE : 10/01/2018 (WEDNESDAY)

Objectives of F.M. : Wealth Maximisation

WEEK 2, DAY 4, DATE : 11/01/2018 (THURSDAY)

Organisation of F.M. : Diff. structure in diff. organisations, Allocation of responsibility among Finance Manager, Treasurer and Controller.

WEEK 2, DAY 5, DATE : 12/01/2018 (FRIDAY)

Relationship of F.M. with other areas of Management -  
Difference between Financial Accounting and Financial Management

WEEK 2, DAY 6, DATE : 13/01/2018 (SATURDAY)

Assignment of the above topics.

WEEK 3

ASSIGNMENT:

WEEK 3, DAY 1, DATE : 15/01/2018 (MONDAY) Chapter 2.

Management of Working Capital (WC)  
Concepts of WC, Need and types of WC

WEEK 3, DAY 2, DATE : 16/01/2018 (TUESDAY)

Advantages of Adequate W.C., Disadvantages  
of Excess or inadequate W.C.  
Relationship of Liquidity and Profitability in W.C. Mgt.

WEEK 3, DAY 3, DATE : 17/01/2018 (WEDNESDAY)

Objectives of W.C. Management  
Different Aspect of W.C. Mgt.

WEEK 3, DAY 4, DATE : 18/01/2018 (THURSDAY)

Analysis of W.C.  
Methods of Forecasting of W.C. : 5 Methods  
a) Forecasting of Current Assets and Current Liabilities

WEEK 3, DAY 5, DATE : 19/01/2018 (FRIDAY)

b) Percentage of Sales Method  
c) Cash Forecasting Method based on cash receipts and  
Payment

WEEK 3, DAY 6, DATE : 20/01/2018 (SATURDAY)

Illustrations and Exercise of Above 3 Methods.  
Instructions to write Theory questions and  
submit on 23.1.18 (Assignment given)

WEEK 4

ASSIGNMENT:

WEEK 4, DAY 1, DATE : 22/01/2018 (MONDAY)

**Holiday on account of Basant Panchmi.**

WEEK 4, DAY 2, DATE :23/01/2018(TUESDAY)

d) Operating Cycle Method of Forecasting of WC  
its formulas and procedures.

Assignment Collection

WEEK 4, DAY 3, DATE :24/01/2018(WEDNESDAY)

**Holiday on account of Sir Chotu Ram Jayanti.**

WEEK 4, DAY 4, DATE :25/01/2018(THURSDAY)

Assignment return and broad keep in record.  
Further revision and discussion about  
operating cycle Method and its illustration

WEEK 4, DAY 5, DATE :26/01/2018(FRIDAY)

**Holiday on account of Republic Day.**

WEEK 4, DAY 6, DATE :27/01/2018(SATURDAY)

Numericals of Operating Cycle Method  
e) Projected Balance sheet Method.

WEEK 5

ASSIGNMENT:

WEEK 5, DAY 1, DATE :29/01/2018(MONDAY)

Numericals and exercises  
Problems of students

WEEK 5, DAY 2, DATE :30/01/2018(TUESDAY)

Determinants of W.C.

WEEK 5, DAY 3, DATE :31/01/2018(WEDNESDAY)

**Holiday on account of Guru Ravi Dass Jayanti**

WEEK 5, DAY 4, DATE :01/02/2018(THURSDAY)

Class Test

WEEK 5, DAY 5, DATE : 02/02/2018 (FRIDAY)

Chapter 3: Management of Cash and Marketable Securities : Meaning of Cash, Motives of holding cash, Objectives of Cash Management

WEEK 5, DAY 6, DATE : 03/02/2018 (SATURDAY)

Devices of Cash Mgt : Cash Budget, its importance and Methods of Preparing Budget

WEEK 6

ASSIGNMENT:

WEEK 6, DAY 1, DATE : 05/02/2018 (MONDAY)

Cash receipt and Payments Method - its Illustrations

WEEK 6, DAY 2, DATE : 06/02/2018 (TUESDAY)

Adjusted Profit & Loss Method,  
Adjusted Balance sheet Method of preparing cash budgets - - its illustrations

WEEK 6, DAY 3, DATE : 07/02/2018 (WEDNESDAY)

Controlling Cash Flows : a) speeding up inflow  
b) slowing outflow

WEEK 6, DAY 4, DATE : 08/02/2018 (THURSDAY)

Cash Flow Ratios : Illustration & Exercises

WEEK 6, DAY 5, DATE : 09/02/2018 (FRIDAY)

Cash Management Model :

- a) Baumol Model
- b) Miller-Orr Model

Assignment  
to be submitted on  
12.2.18

WEEK 6, DAY 6, DATE : 10/02/2018 (SATURDAY)

Holiday on account of Maharshi Dayanand Saraswati Jayanti.

WEEK 7

ASSIGNMENT:

WEEK 7, DAY 1, DATE : 12/02/2018 (MONDAY)

Chapter 4: Management of Receivables (ROM)  
Meaning, Motives of Maintaining Receivables, Cost and Benefits associated with Receivables.

WEEK 7, DAY 2, DATE : 13/02/2018 (TUESDAY)

Holiday on account of Maha Shivaratri.

WEEK 7, DAY 3, DATE : 14/02/2018 (WEDNESDAY)

Scope / Aspects of ROM

- i) Determination of Credit Terms
- ii) Formulation of optimum credit Policy  
Credit standard: Qualitative, Quantitative

WEEK 7, DAY 4, DATE : 15/02/2018 (THURSDAY)

- iii) Formulation of Collection Policy  
Illustrations

WEEK 7, DAY 5, DATE : 16/02/2018 (FRIDAY)

- iv) Evaluation of Credit Policy  
Illustration and Exercises

WEEK 7, DAY 6, DATE : 17/02/2018 (SATURDAY)

Examination Question of this chapter  
and Problems of student

WEEK 8

ASSIGNMENT:

WEEK 8, DAY 1, DATE : 19/02/2018 (MONDAY)

Chapter 5: Cost of Capital. (COC)

Meaning, significance and Factors Affecting  
COC. Problems in Determination of COC

WEEK 8, DAY 2, DATE : 20/02/2018 (TUESDAY)

Computation of COC : Source-wise — Cost of  
specific source — Debt, Preference share  
and Equity share.

Computation of Combined / Average Cost of all sources

WEEK 8, DAY 3, DATE : 21/02/2018 (WEDNESDAY)

Cost of Debt : Before Tax and After Tax cost  
of Redeemable and Irredeemable debt

WEEK 8, DAY 4, DATE : 22/02/2018 (THURSDAY)

Illustrations.

WEEK 8, DAY 5, DATE : 23/02/2018 (FRIDAY)

Cost of Preference share capital:  
Redeemable and Irredeemable.

WEEK 8, DAY 6, DATE : 24/02/2018 (SATURDAY)

Illustration & Exercises.

WEEK 9

ASSIGNMENT:

WEEK 9, DAY 1, DATE :26/02/2018(MONDAY)

Cost of Equity Capital: Different Methods

Dividend Yield Method

Dividend Yield plus growth Method

WEEK 9, DAY 2, DATE :27/02/2018(TUESDAY)

Earning Yield and

Earning Yield plus growth method

Class Test After vacation on Monday

WEEK 9, DAY 3, DATE :28/02/2018(WEDNESDAY)

**VACATION -II**

WEEK 9, DAY 4, DATE :01/03/2018(THURSDAY)

**VACATION -II**

WEEK 9, DAY 5, DATE :02/03/2018(FRIDAY)

**VACATION -II**

WEEK 9, DAY 6, DATE :03/03/2018(SATURDAY)

**VACATION -II**

WEEK 10

ASSIGNMENT:

WEEK 10, DAY 1, DATE :05/03/2018(MONDAY)

Test



WEEK 10, DAY 2, DATE :06/03/2018(TUESDAY)

CAPM (Capital Asset Pricing Method) and  
Cost of Retained Earnings  
Computation of Weighted Average Cost of Capital,  
WACC

WEEK 10, DAY 3, DATE :07/03/2018(WEDNESDAY)

Problems of Assigning Weight: Book-value  
or Market value Weight

WEEK 10, DAY 4, DATE :08/03/2018(THURSDAY)

Illustration of WACC

WEEK 10, DAY 5, DATE :09/03/2018(FRIDAY)

Further Illustrations of WACC

WEEK 10, DAY 6, DATE :10/03/2018(SATURDAY)

Problems and Doubts of students

WEEK 11

ASSIGNMENT:

WEEK 11, DAY 1, DATE :12/03/2018(MONDAY)

Chapter 6: Capitalisation: - Meaning, and  
Theories of Capitalisation 1) Cost Theory  
2) Capitalisation Theory

WEEK 11, DAY 2, DATE :13/03/2018(TUESDAY)

Over Capitalisation: Causes, Consequences  
and Remedies

How effective are these remedies?

WEEK 11, DAY 3, DATE :14/03/2018(WEDNESDAY)

Under-Capitalisation: Meaning, Causes: and consequences of Under capitalisation

WEEK 11, DAY 4, DATE :15/03/2018(THURSDAY)

Remedies to Undercapitalisation.  
Watered Capital

WEEK 11, DAY 5, DATE :16/03/2018(FRIDAY) Chapter 7:

Leverages: Meaning and Types of Leverages  
1) Operating Leverages: Theory and Examples

WEEK 11, DAY 6, DATE :17/03/2018(SATURDAY)

Financial Leverages: Theory and examples  
Test Announced: After completion of Thesis chapters

WEEK 12

ASSIGNMENT:

WEEK 12, DAY 1, DATE :19/03/2018(MONDAY)

Combined Leverages: Theory and examples

WEEK 12, DAY 2, DATE :20/03/2018(TUESDAY)

Effect of Preference Dividend on Financial leverage

WEEK 12, DAY 3, DATE : 21/03/2018 (WEDNESDAY)

Chapter 8 : EPS - EBIT Analysis  
Theory and Examples

WEEK 12, DAY 4, DATE : 22/03/2018 (THURSDAY)

EPS - EBIT Analysis : Examples

WEEK 12, DAY 5, DATE : 23/03/2018 (FRIDAY)

Holiday on account of Shahidi diwas.

WEEK 12, DAY 6, DATE : 24/03/2018 (SATURDAY)

Class Test of The chapters 6, 7, 8.

WEEK 13

ASSIGNMENT:

WEEK 13, DAY 1, DATE : 26/03/2018 (MONDAY)

EPS - EBIT Analysis and Indifference level.  
Examples & Exercises

WEEK 13, DAY 2, DATE : 27/03/2018 (TUESDAY)

EP - EBIT Analysis and Indifference level  
For the Exercises.

WEEK 13, DAY 3, DATE : 28/03/2018 (WEDNESDAY)

Test Returned

Assignment of Next Chapter

WEEK 13, DAY 4, DATE : 29/03/2018 (THURSDAY)

Holiday on account of Mahavir Jayanti.

WEEK 13, DAY 5, DATE : 30/03/2018 (FRIDAY)

Chapter 9: Capital Structure (CS)  
Meaning, Importance of Optimum C.S.,  
Factors Affecting Capital Structure Decisions.

WEEK 13, DAY 6, DATE : 31/03/2018 (SATURDAY)

Capital Structure Theories / Approaches.  
There are 4 Approaches

WEEK 14

ASSIGNMENT:

WEEK 14, DAY 1, DATE : 02/04/2018 (MONDAY)

Net Income Approach with example  
and diagrams

WEEK 14, DAY 2, DATE : 03/04/2018 (TUESDAY)

Net Operating Income App. with examples

WEEK 14, DAY 3, DATE : 04/04/2018 (WEDNESDAY)

Traditional Approach with example and diagram.

WEEK 14, DAY 4, DATE :05/04/2018 (THURSDAY)

Comparative Discussion and illustration of all the 3 approaches

WEEK 14, DAY 5, DATE :06/04/2018 (FRIDAY)

The Modigliani-Miller Approach (MM) of C.S. Theory when the taxes are ignored. Assumption of theory

WEEK 14, DAY 6, DATE :07/04/2018 (SATURDAY)

Examples  
Arbitrage Process and its Effects  
Further examples

WEEK 15

ASSIGNMENT:

WEEK 15, DAY 1, DATE :09/04/2018 (MONDAY)

Arbitrage Process Reversal : Theory and examples.

WEEK 15, DAY 2, DATE :10/04/2018 (TUESDAY)

MM Approach - when taxes are assumed to exist : effect on value of firms  
examples.

WEEK 15, DAY 3, DATE : 11/04/2018 (WEDNESDAY)

Criticism of MM Approach

WEEK 15, DAY 4, DATE : 12/04/2018 (THURSDAY)

Miscellaneous examples

WEEK 15, DAY 5, DATE : 13/04/2018 (FRIDAY)

Difficulties of students  
Assignment of the chapters 9 to be submitted  
on 16.4.18.

WEEK 15, DAY 6, DATE : 14/04/2018 (SATURDAY)

Holiday on account of Vaisakhi & Dr B.R. Ambedkar's Jayanti.

WEEK 16

ASSIGNMENT:

WEEK 16, DAY 1, DATE : 16/04/2018 (MONDAY)

Chapter 10 Dividend Policy : Meaning and  
Approach of dividend decisions  
Long Term Financing, and wealth maximising app.

WEEK 16, DAY 2, DATE : 17/04/2018 (TUESDAY)

Kinds of Dividend. Advantages of dividend  
to shareholders, to company

WEEK 16, DAY 3, DATE : 18/04/2018 (WEDNESDAY)

Holiday on account of Maharshi Pasuram Jayanti

WEEK 16, DAY 4, DATE : 19/04/2018 (THURSDAY)

Types of Dividend Policies  
Advantages of diff kind of Policies

WEEK 16, DAY 5, DATE : 20/04/2018 (FRIDAY)

Significance of Stable Dividend Policy

WEEK 16, DAY 6, DATE : 21/04/2018 (SATURDAY)

Factors Determining Dividend Policy

WEEK 17

ASSIGNMENT:

WEEK 17, DAY 1, DATE : 23/04/2018 (MONDAY)

Dividend Policy Models :  
Theory of relevance and irrelevance

WEEK 17, DAY 2, DATE : 24/04/2018 (TUESDAY)

Walter's Model Theory

WEEK 17, DAY 3, DATE : 25/04/2018 (WEDNESDAY)

Examples of Walter's Model

WEEK 17, DAY 4, DATE : 26/04/2018 (THURSDAY)

Gordon Model : Theory and Example  
 M.M. Approach, Theory and Formula  
 Assumptions and Criticism

WEEK 17, DAY 5, DATE : 27/04/2018 (FRIDAY)

Examples of MM Approach (Model)

WEEK 17, DAY 6, DATE : 28/04/2018 (SATURDAY)

Miscellaneous Examples.

WEEK 18

ASSIGNMENT:

WEEK 18, DAY 1, DATE : 30/04/2018 (MONDAY)

Theory of relevance and importance  
 : about your book