

This Text Book is useful for Savitribai Phule Pune University
and other Universities as well as Competitive Exams.

Financial Management

(DSE B - 605 FM)
T.Y.B.B.A. (Sem. - VI)

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Preface

It is a matter of great pleasure for us to present this book to our esteemed readers. This book has been designed as standard text on 'Financial Management' for T.Y.B.B.A. (Sem. - VI).

This book comprehensively covers the entire syllabus of T.Y.B.B.A (Financial Management) Course of Savitribai Phule Pune University effective from 2019 onwards. It has been written to meet the requirements of students of T.Y.B.B.A. Some of the special features of the book are as follows:

- 1. Full coverage of the revised syllabus of T.Y.B.B.A.*
- 2. Chapter outline at the beginning of each chapter to give a bird's eye view of the topics covered in the chapter.*
- 3. Point wise explanation of each topic in the chapter.*
- 4. Topics are logically arranged in numbered paragraphs exactly according to the modified syllabus.*
- 5. Proposed questions at the end of each chapter.*
- 6. Extensive use of diagrams, tables and various forms to give visual view of key concepts and techniques.*
- 7. Conversational, lucid and simple language.*

Every effort has been made to provide the readers with most up-to-date and authentic material on the subject.

We are very grateful to our publisher Mrs. and Mr. Rajesh Patne who have rendered all possible assistance in bringing out this book. We wish to acknowledge our deep gratitude to staff who have assisted and helped us in preparing this book. We will consider our efforts amply rewarded in case the book proves useful to the students and teachers of the subject.

Suggestions of readers are welcome and shall be acknowledged with gratitude.

With best wishes.

By Authors

Syllabus

T.Y.B.B.A. (Sem. - VI)

Financial Management (DSE B - 605 FM)

Unit	Topic
1	Sources of Finance : 1.1 Long term Sources of Finance- Owned Funds & Borrowed Funds, Equity shares, Preference Shares, Debentures, Term Loan, Lease Financing, Hire Financing 1.2 Short term Sources of Finance- Bank overdraft, Cash Credit, Bills Discounting, Ploughing back of Profit
2	Capital Structure : 2.1 Meaning, Concept, Importance, 2.2 Factors affecting Capital Structure-Internal Factors, External Factors & General Factors 2.3 Cost of Capital - Meaning, weighted Average Cost, Operating leverages 2.4 Financial leverages, Combined Leverages (Problem on Leverages)
3	Capitalisation : 3.1 Meaning, Modern Concept of Capitalisation, Need 3.2 Under capitalisation-Meaning, Causes & Remedies 3.3 Over Capitalisation- Meaning, Causes, & Remedies
4	Capital Budgeting 4.1 Meaning 4.2 Techniques of Capital Budgeting 4.3 Mutually Exclusive Proposals

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3	Capitalisation ➔ 3.1 Capitalisation ➔ 3.2 Under Capitalisation ➔ 3.3 Over Capitalisation	3.1 to 3.16
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