

## IMN601:FINANCIAL MANAGEMENT-II

### Module-I:

**Dividend policy:** Introduction, forms of dividend, stability of dividends, theories of dividend policy (Relevance and irrelevance theories), determinants of dividend decision, implication of bonus issue, rights issue, share split and buy back of shares.

### Module-II:

**Working capital management:** Introduction to working capital, components of current assets and current liabilities, Objectives of Working Capital (Conservative vs. Aggressive policies), Static vs. Dynamic View of Working Capital, Factors Affecting the Composition of Working Capital, Independence among Components of Working Capital, Operating Cycle Approach to Working Capital, Criteria for evaluation of working capital management, Important working capital ratio.

### Module-III:

**Receivables Management:** Purpose of Receivables, Cost of Maintaining Receivables, Credit Policy Variables (Credit Standard, Credit Period, Cash Discount, and Collection Program), Credit Evaluation, The Process of Credit Evaluation, Decision, Tree Approach, Monitoring Receivables.

**Treasury Management & Control:** Different between profits and cash, Need for and Objectives of Cash Management, Factors for Efficient Cash Management, Internal Treasury Controls.

### Module-IV:

**Financing Current Assets:** Behavior of Current Assets and Pattern of Financing, Accruals, Trade Credit, Provisions, Short-term Bank Financial, Public Deposits, Commercial paper, Factoring, Regulating of Bank Credit.

### Reference Books:

1. Khan & Jain, Financial Management, Tata McGraw Hill.
2. I.M. Pandey, Financial Management, Vikas publishing.

