

College of Engineering, Pune

Department of Mathematics

(MA (MI) 18003) Fundamentals of Business Finance

Minor Certification in Mathematics with specialization in 'Financial Engineering' (Semester VI)

Teaching Scheme

Lectures : 3 hrs / week

Examination Scheme

Internal Test 1: 20 marks

Internal Test 2: 20 marks

End Sem. Exam: 60 marks

- Objectives :**
1. Understand the fundamentals of finance.
 2. Application of finance in decision making.
 3. Understanding the Financial statements and its significance.

Unit I : Accounting Fundamentals :

Accounting Terminologies, Accounting concepts, Understanding Financial Statements, Concept of Net Income and cash flow. **[5 Hrs]**

Unit II : Basics Of Cost Accounting :

Cost Concepts, Classification of cost, Introduction to Breakeven analysis and Cost Volume Analysis, Overview of Budget and its importance in business decisions. **[5 Hrs]**

Unit III : Business Analysis :

Interpretation of Financial Statements, SWOT and PESTAL Analysis using Financial Statements. **[9 Hrs]**

Unit IV : Nature of Financial Management :

Evolution of Corporate Finance, Objectives of Financial Management, Profit Maximization V/s Wealth Maximization, Scope & Functions. **[5 Hrs]**

Unit V : Time Value of Money & Capital Budgeting :

Discounting and Compounding, Basic concepts of ARR, Pay Back Period, Net Present Value, Internal Rate Return, Profitability Index. **[7 Hrs]**

Unit VI : Introduction to Cost of Capital :

Basic concepts. **[3 Hrs]**

Unit VII : Introduction to leverage and its types :

Operating, Financial and combined. **[6 Hrs]**

Text Books :

- Accounting for Management by Maheshwari, Vikas publications, 3rd Edition (2016)
- Management Accounting by Khan and Jain, Mc Graw Hill, 6th Edition (2016)

Reference Books :

- Accounting for Management, Ashok Sehgal, Taxman Publication, Reprint Edition (2015)
- Financial Management by Ravi Kishore, Taxman Publication, Eight Edition.
- Fundamentals of Financial Management, Sharan, Third Edition, Pearson Publications
- Fundamentals of Financial Management, Bhabatosh Banerjee, PHI Learnings, Second Edition.

Outcomes :

Students will be able to read and analyze the financial statements of companies.

Application of the concepts and fundamentals in investment decisions from personal finance as well as corporate enterprise.

Interdisciplinary understanding of how financial applications can be helpful for simplifying and standardization of processes of an enterprise.

Students will be judged on the basis of the level of understanding of the subject and its implications on the decision making.