

AC – 28/03/2025

Item No. – 7.9 (N) (4ab) Sem. III & IV

As Per NEP 2020

University of Mumbai



Syllabus for Minor Vertical 2

Faculty of Commerce & Management

Board of Studies in Business Management

Second Year Programme in Minor - Fundamentals of Business and Financial Analysis -II

Semester	III & IV	
Title of Paper	Sem.	Total Credits 4
I) Fundamentals of Business and Financial Analysis -II	III	4
Title of Paper		Credits
I) Fundamentals of Business and Financial Analysis - III	IV	4
From the Academic Year		2025-26

Sem. - III

Syllabus
B.Com. (Business Management)
(Sem.- III)

Title of Paper :) Fundamentals of Business and Financial Analysis -II

Sr. No.	Heading	Particulars
1	Description the course : Including but Not limited to :	<p>Introduction: This course is designed to provide students with a comprehensive understanding of financial analysis techniques, focusing on critical areas such as cash flow statements, profitability analysis, ratio analysis, and financial reporting. It also covers growth evaluation and sustainable earnings, with special emphasis on Price-to-Book (P/B) and Price-to-Earnings (P/E) ratios. The course builds upon fundamental financial concepts and equips students with analytical tools essential for business decision-making.</p> <p>Relevance: Financial analysis is a cornerstone of business decision-making. This course is highly relevant as it enables students to assess a company's financial health, profitability, and sustainability. It provides them with insights into financial performance, which is crucial for managers, investors, analysts, and regulators.</p> <p>Usefulness: The course equips students with practical skills in:</p> <ul style="list-style-type: none">• Interpreting cash flow statements to assess liquidity and operational efficiency.• Evaluating profitability metrics to determine business performance.• Using ratio analysis to benchmark financial health against industry standards.• Writing financial reports that communicate insights effectively to stakeholders.• Assessing growth and sustainable earnings through P/B and P/E ratios, aiding investment decisions. <p>Application: The concepts learned in this course are applicable in various real-world scenarios, such as:</p> <ul style="list-style-type: none">• Corporate financial management – Decision-making on resource allocation.• Investment analysis – Evaluating stocks and investment opportunities.

		<ul style="list-style-type: none"> • Risk assessment – Identifying financial risks and mitigating them. • Strategic planning – Using financial insights to drive business growth. • Consulting and advisory services – Providing financial recommendations to businesses. <p>Interest: Students with an interest in finance, business strategy, and investment management will find this course particularly engaging. It combines quantitative analysis with strategic decision-making, offering both numerical rigor and practical insights.</p> <p>Connection with other courses: This course is closely related to:</p> <ul style="list-style-type: none"> • Financial Accounting – Understanding the basics of financial statements. • Corporate Finance – Applying financial analysis for investment and funding decisions. • Investment Management – Using valuation ratios for stock analysis. • Strategic Management – Aligning financial decisions with business strategies. • Business Analytics – Leveraging financial data for predictive modeling. <p>Demand in the Industry: Financial analysis skills are in high demand across industries such as:</p> <p>Banking and financial services – Credit assessment, investment research.</p> <p>Consulting firms – Financial advisory services.</p> <p>Corporate sector – Business planning and budgeting.</p> <p>Investment firms – Stock market and portfolio analysis.</p> <p>Government and regulatory bodies – Financial compliance and policy-making.</p> <p>Job prospects: Completion of this course prepares students for various career opportunities, including:</p> <ul style="list-style-type: none"> • Financial Analyst – Evaluating business performance and investment opportunities. • Investment Analyst – Assessing stock valuations and growth potential. • Corporate Finance Manager – Managing a company's financial planning. • Risk Analyst – Identifying financial risks in investment and business operations.
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		<ul style="list-style-type: none"> • Equity Research Analyst – Analyzing financial statements for stock recommendations. • Management Consultant – Advising businesses on financial strategy.
2	Vertical :	Minor
3	Type :	Theory / Practical
4	Credit:	4 credits (1 credit = 15 Hours in a semester)
5	Hours Allotted :	60 Hours
6	Marks Allotted:	100 Marks
7	Course Objectives: <ol style="list-style-type: none"> 1. Develop Financial Analysis Skills 2. Enhance Ratio Analysis Proficiency 3. Improve Financial Report Writing 4. Evaluate Growth and Sustainable Earnings 5. Apply Analytical Techniques to Real-World Scenarios 	
8	Course Outcomes: Upon successful completion of the course, students will be able to: <ol style="list-style-type: none"> 1. Analyse and interpret cash flow statements to assess a company's liquidity, operational efficiency, and financial stability. 2. Use profitability and ratio analysis techniques to evaluate a company's financial performance and compare it with industry benchmarks. 3. Prepare structured financial reports that effectively communicate key insights to stakeholders. 4. Assess company valuation and growth potential using P/B and P/E ratios, aiding in investment and strategic decision-making. 5. Apply financial analysis techniques in real-world business situations, including corporate finance, investment analysis, and risk assessment. 	

9 **Modules: -**

Module 1: Financial Analysis -Cash flow Statement

No. of Hours(15)

1. Introduction to Cash Flow

- Definition and significance of cash flow in financial management.
- Importance of liquidity and cash flow over profitability.

2. Structure of a Cash Flow Statement

- Components: Operating, Investing, and Financing Activities.
- Differences between the cash flow statement and the income statement.

3. Preparation of a Cash Flow Statement

- Preparation of Cash flow statement using Direct Method- Explanation, format and solved problems.
- Preparation of Cashflow statement using Indirect Method by adjusting net income to cash flow and solved problems.

Module 2: Financial Analysis- Analysis of profitability

(No. of Hours(15))

1. Understanding Profitability analysis

- Concepts- Profitability analysis
- Why Profitability analysis is conducted.
- Factors affecting Profitability
 - Internal factors: Cost management, pricing strategies, and operational efficiency.
 - External factors: Market conditions, competition, and regulatory impacts.
- Profitability in Different Business Scenarios
 - a. Comparing profitability across industries. (Solved problems)
 - b. Analysis of small businesses vs. large corporations

2. Vertical analysis of Profitability

- Income statement as a percentage of sales.
- Identifying cost drivers and their impact on profitability.

3. Horizontal Analysis of Profitability

- Trends in profitability over time. (Solved problems)
- Year-on-year comparisons and implications.

Module 3: Financial Analysis – Ratio analysis and Report writing

1. Ratio Analysis

Meaning, Objectives, importance & limitation of ratio analysis

2. Balance sheet ratios & Revenue statement ratios

Balance Sheet ratio

- Current Ratio
- Liquid Ratio
- Proprietary Ratio
- Debt equity Ratio
- Cap gearing Ratio

Revenue statement ratio

- Gross profit Ratio
- Net Profit Ratio
- Operating profit Ratio
- Stock turnover Ratio

3. Combined ratios

- Net worth Ratio
- Debtors turnover Ratio
- Creditors turnover Ratio
- Return on Equity share capital
- Return on Assets
- Earnings per share
- Price Earnings ration

Module 4 Growth, Sustainable Earnings: Evaluation of P/B Ratios and P/E Ratios (No. of Hours(15)

1. Sustainable Earnings

- Concept & Meaning of Sustainable earnings
- Importance of assessing risk and uncertainty.

2. Sensitivity and Scenario Analysis

- Conducting sensitivity analysis: Impact of changes in assumptions.

3. Evaluation of sustainable earnings

- Understanding P/B Ratios and P/E Ratios
- Evaluation of P/B Ratios and P/E Ratios (Solved problems)

10 Reference Books:

1. Basic Financial Management: M.Y. Khan and P.K. Jain, New Delhi, TMH 2000.
2. Financial Management: I.M. Pandey., Vikas Publishing House
3. Financial Management: Theory and Practices- Prasanna Chandra, McGraw Hill Education India
4. Financial Management: Khan and Jain. McGraw Hill Education India
5. Valuation measuring and managing the value of companies: Thomas Copeland-Wiley
6. Financial Management: Ravi Kishore, Taxmann
7. Financial Management Module, ICAI- Intermediate.
8. Corporate Accounting & Financial Management Module, ICSI- Executive
9. Financial Management & Data Analytics Module, ICMAI- Intermediate

11 Internal Continuous Assessment: 40%

External, Semester End Examination 60%
Individual Passing in Internal and External Examination

12

Class Tests (Physical/ Online mode)
(Short notes/ MCQ's/ Match the Pairs/
Answer in one sentence)

QUESTION PAPER PATTERN

CONTINUOUS EVALUATION: INTERNAL (40 MARKS)

Q. No	Questions	Total
	Assessment/ Evaluation	40
1	Class Test during the lectures. (Physical/ Online mode) (Short notes/ MCQ's/ Match the Pairs/ Answer in one sentence/ Puzzles)	20
2	Case Studies: Assign real-world case studies for analysis. Assign tasks where students analyze and present a company's profitability trends. Or Group presentations analyzing profitability in selected companies, with each group focusing on a different sector and presenting their findings on selected companies within that sector. Or Participation in workshop/ Conference/Seminar/ Case Study/Field Visit/Certificate Course. (Physical/Online mode)	20

(External)

Format of Question Paper: for the final examination

Time: 2 hrs.

Total Marks: 60

Q. No	Questions	Total
Q1	a. b. (Practical/ Theory)	15
Q2	a. b. (Practical/ Theory)	15
Q3	a. b. (Practical/ Theory)	15
Q4	a. b. (Practical/ Theory)	15

Q5	a. b. (Practical/ Theory)	15
Q6	a. b. (Practical/ Theory)	15

Note

Questions may be set from any module

Equal weightage is to be given to all the modules.

Sem. - IV

Syllabus
B.Com. (Business Management)
(Sem.- IV)

Title of Paper Fundamentals of Business and Financial Analysis -III

Sr. No.	Heading	Particulars
1	<p>Description the course :</p> <p>Including but Not limited to :</p>	<p>Introduction: This course provides an in-depth understanding of key financial concepts essential for decision-making in business and financial management. It covers crucial topics such as the cost of capital, marginal costing, break-even analysis, financial modelling for project appraisal, and working capital management. By integrating theoretical concepts with practical applications, the course equips students with analytical skills necessary for financial assessment and planning.</p> <p>Relevance: In today's dynamic business environment, financial decision-making plays a pivotal role in determining organizational success. The concepts of cost of capital, marginal costing, and financial modelling are fundamental to evaluating financial performance, investment opportunities, and strategic business planning. This course aligns with modern financial practices and is essential for students aspiring to enter corporate finance, investment analysis, and financial consultancy.</p> <p>Usefulness: The course provides practical knowledge to:</p> <ul style="list-style-type: none"> Analyse the cost of capital and make informed investment decisions. Utilize marginal costing techniques to assess profitability. Apply financial models for project appraisal and capital budgeting. Manage working capital efficiently to ensure financial stability and growth. <p>Application: The course applies to various business functions such as financial management, investment decision-making, cost control, and project evaluation. It helps students develop skills in:</p> <ul style="list-style-type: none"> Estimating and analysing the cost of capital. Conducting break-even analysis for business profitability. Developing financial models for evaluating project

		<p>feasibility.</p> <ul style="list-style-type: none"> Efficiently managing working capital to optimize cash flow. <p>Interest: Students with an interest in finance, business strategy, investment analysis, and corporate decision-making will find this course highly engaging. It offers real-world applications and problem-solving opportunities that enhance financial acumen and strategic thinking.</p> <p>Connection with other courses: This course complements subjects such as Financial Analysis, Corporate Finance, Investment Analysis, Managerial Accounting, and Strategic Financial Management. It provides a strong foundation for advanced financial courses, making it an essential part of the finance curriculum.</p> <p>Demand in the Industry: The demand for professionals with expertise in financial modeling, cost management, and capital planning is consistently high across industries. Organizations seek individuals who can analyze financial data, assess risks, and make strategic financial decisions.</p> <p>Job prospects: Upon completion of this course, students can explore various career opportunities, including:</p> <ul style="list-style-type: none"> Financial Analyst Investment Banker Corporate Finance Manager Risk Analyst Management Accountant Business Consultant Project Finance Analyst
2	Vertical :	Minor
3	Type :	Theory
4	Credit:	4 credits (1 credit = 15 Hours for in a semester)
5	Hours Allotted :	60 Hours
6	Marks Allotted:	100 Marks

7	Course Objectives: <ol style="list-style-type: none"> 1. To Understand the concept of cost of capital and its significance in financial decision-making. 2. Assess the role of cost of capital in investment appraisal and capital structure decisions. 3. Identify cost behavior patterns and their implications for financial planning 	
8	Course Outcomes: <ol style="list-style-type: none"> 1. Apply cost of capital concepts to real-world financial scenarios, including project evaluation and strategic planning. 2. Make informed recommendations for optimizing a firm's capital structure based on cost considerations 3. Evaluate short-term decision-making scenarios such as pricing, make-or-buy, and product mix using marginal costing. 4. Perform margin of safety and profit-volume ratio analysis to evaluate business performance. 5. Learn to build financial models for evaluating the viability of projects. 	
9	Modules: -	
	Module 1: Cost of Capital	No. of Hours (15)
	<ol style="list-style-type: none"> 1. Meaning, utility of cost of capital & components of cost of capital 2. Weighted average cost of capital 3. Risk Return Analysis (Solved problems on Cost of Capital) 	
	Module 2 Marginal costing and Break-Even Analysis	(No. of Hours(15)
	<ol style="list-style-type: none"> 1. Cost-Volume Profit Analysis 2. Application of Marginal costing 3. Break-Even Analysis (Solved problems on Marginal costing) 	
	Module 3 Financial Modelling for Project Appraisal	(No. of Hours(15)
	<ol style="list-style-type: none"> 1. 1 Project Appraisal <ul style="list-style-type: none"> • Meaning & Purpose of Project Appraisal • Key components: Technical, economic, and financial feasibility. • Role of financial modelling in project appraisal 2. Essential Financial Concepts for Modelling -I <ul style="list-style-type: none"> • Time value of money (TVM). • Discounted cash flow (DCF) methodology • Solved problems 3. Essential Financial Concepts for Modelling -II 	

- Net Present Value (NPV) (Solved problems)
- Payback period and profitability index. (Solved problems)

Module 4 Module 4: Working Capital

(No. of Hours(15))

1. Working Capital

Meaning, Types of Working Capital, Factoring Affecting working capital

2. Quantum of working capital

Advantages of adequate working capital, Problems of inadequate working capital

Operating working cycle for a trading concern

Operating working cycle for a service concern

3. Estimating working capital

Format

Solved problems

10

Reference Books:

1. Basic Financial Management: M.Y. Khan and P.K. Jain, New Delhi, TMH 2000.
2. Financial Management: I.M. Pandey., Vikas Publishing House
3. Financial Management: Theory and Practices- Prasanna Chandra, McGraw Hill Education India
4. Financial Management: Khan and Jain. McGraw Hill Education India
5. Valuation measuring and managing the value of companies: Thomas Copeland-Wiley
6. Financial Management: Ravi Kishore, Taxmann
7. Financial Management Module, ICAI- Intermediate.
8. Corporate Accounting & Financial Management Module, ICSI- Executive
9. Financial Management & Data Analytics Module, ICMAI- Intermediate

11

Internal Continuous Assessment: 40%

**External, Semester End Examination
60% Individual Passing in Internal and
External Examination**

12

Continuous Evaluation through

Class Tests (Physical/ Online mode)
(Short notes/ MCQ's/ Match the Pairs/
Answer in one sentence)
(at least 3)

QUESTION PAPER PATTERN (External and Internal)

For 2 Credits paper of 50 Marks

PAPER PATTERN- EXTERNAL

Time: 1 hr

Total Marks: 30

Any 2 out of 3 Questions

Q. No	Questions	Total
Q1	a. b.	15
Q2	a. b.	15
Q3	a. b.	15

Note

- A) Questions can be set from any module
- B) Equal weightage is to be given to all the modules.

PAPER PATTERN- INTERNAL

	Assessment/ Evaluation	Marks
1	Class Test during the lectures. (Physical/ Online mode) (Short notes/ MCQ's/ Match the Pairs/ Answer in one sentence/ Puzzles)	10
2	Participation and paper presentation in Workshop/ Conference/Seminar, Assignment	5
3	field visit, case study, group discussion, presentation, Certificate Course	5

Continuous Evaluation: Internal (20 marks)

Sd/-

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Dr. Megha Somani
Board of Studies in
Business
Management**

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