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Finance Fundamentals — Complete Syllabus

BTEUP Diploma in Mechanical Engineering (Production) • 6th Semester • Session 2026–27

Subject 6.3.4 (Theory) • Elective Pathway • Total 100 Marks • 3 Credits

About this document: Finance Fundamentals is subject 6.3.4 of the 6th semester of the Diploma in Mechanical Engineering (Production). It is one of the five Elective Pathway options — a student picks any ONE of the five: Advanced Engineering Mathematics (6.3.1), Additive Manufacturing (6.3.2), Project Management (6.3.3), Finance Fundamentals (6.3.4) and Industry 4.0 (6.3.5). This document gives the complete unit-wise syllabus, the examination scheme and the reference books from the official curriculum.

Examination Scheme

Code	Paper	Type	L – P	Credits	Internal	External	Total
6.3.4	Finance Fundamentals	Theory	3 – 0	3	Theory 40	Theory 60 (3 hrs)	100
Finance Fundamentals Total				**3**	**40**	**60**	**100**

What This Subject Aims To Do

To give students a working grasp of finance fundamentals — personal money management, sources of business funding, the language of accounts, budgets and marginal costing — so that they can read money matters and make sound decisions.

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Unit-Wise Complete Topic List

Unit	Topic	Periods	Marks
1	Personal Finance	8	12
2	Business Funding	8	12
3	Finance Language	8	12
4	Budgeting	8	12
5	Marginal Costing	10	12

Total: 42 periods, 60 marks (external theory). Each of the five units carries 12 marks in the external theory paper, as per the suggested distribution of marks in the official syllabus.

Unit 1 — Personal Finance (8 Periods, 12 Marks)

Topics: Personal finance: meaning, objectives and advantages, individual perspective, family perspective, time value of money, personal savings: meaning, different modes of saving: bank deposit, online investments, insurance, stocks, gold, real estate, returns vs risk, financial discipline, setting alerts for commitments (with real time examples).

In simple words: How to manage your own money — time value of money, where to save, risk against return, and the discipline of setting alerts for commitments.

Unit 2 — Business Funding (8 Periods, 12 Marks)

Topics: Sources: personal savings, borrowings, venture capital, venture capital process, commercial banks, government grants and scheme.

In simple words: Where a business finds money — own savings, borrowings, venture capital, banks and government grants and schemes.

Unit 3 — Finance Language (8 Periods, 12 Marks)

Topics: Capital, drawing, income, expenditure, revenue vs capital items, assets: fixed assets, current assets, fictitious assets, liabilities: long-term liabilities, current liabilities, internal liabilities, external liabilities, shareholders fund: equity share capital, preference share capital, reserve and surplus, borrowings: debentures, bank loan, other loan, depreciation, reserve vs provision.

In simple words: The language of accounts: capital, assets, liabilities, reserves, provisions and depreciation — the words every balance sheet is written in.

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Unit 4 — Budgeting (8 Periods, 12 Marks)

Topics: Budgetary control: meaning, preparation of various budgets: purchase budget, sales budget, production budget, cash budget, flexible budgets. (With Problems)

In simple words: How budgets are prepared and controlled — sales, production, purchase, cash and flexible budgets — with problems.

Unit 5 — Marginal Costing (10 Periods, 12 Marks)

Topics: Marginal costing: meaning, marginal costing vs absorption costing, concepts of variable cost, fixed cost and contribution, PV ratio, break even point, margin of safety, key factor, application of marginal costing in decision making: make or buy, shutdown or continue, exploring new markets. (With Problems)

In simple words: How marginal costing helps decisions: contribution, PV ratio, break-even point, margin of safety, key factor, make-or-buy and shutdown-or-continue — with problems.

Learning Outcomes

- Study the personal finance concepts, savings instruments, risk-return trade-offs, and financial discipline.
- Analyze various sources of business funding including venture capital, banking, and government schemes.
- Interpret financial terminology and classify financial statements elements accurately.
- Prepare and analyze different budgets using budgetary control techniques.
- Apply marginal costing techniques for managerial decision-making.

Reference Books (as listed in the syllabus)

- Dr. L. Natarajan, Banking Theory, Law & Practice, Margham Publications.
- T. S. Reddy and Dr. A. Murthy, Corporate Accounting, Margham Publications.
- T. S. Reddy and Dr. Y. Hariprasad Reddy, Management Accounting, Margham Publications.
- T. S. Reddy and Dr. Y. Hariprasad Reddy, Cost Accounting, Margham Publications.

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Source: IRDT Kanpur NEP-2020 curriculum for the Diploma in Mechanical Engineering (Production), updated and approved by the Board of Technical Education, U.P., Lucknow, in the C.D.C. meeting held on 16.07.2026. Topic lists follow the official syllabus; short explanations are the author's own plain-language summaries, not syllabus text. Please confirm with your own polytechnic for any local changes.