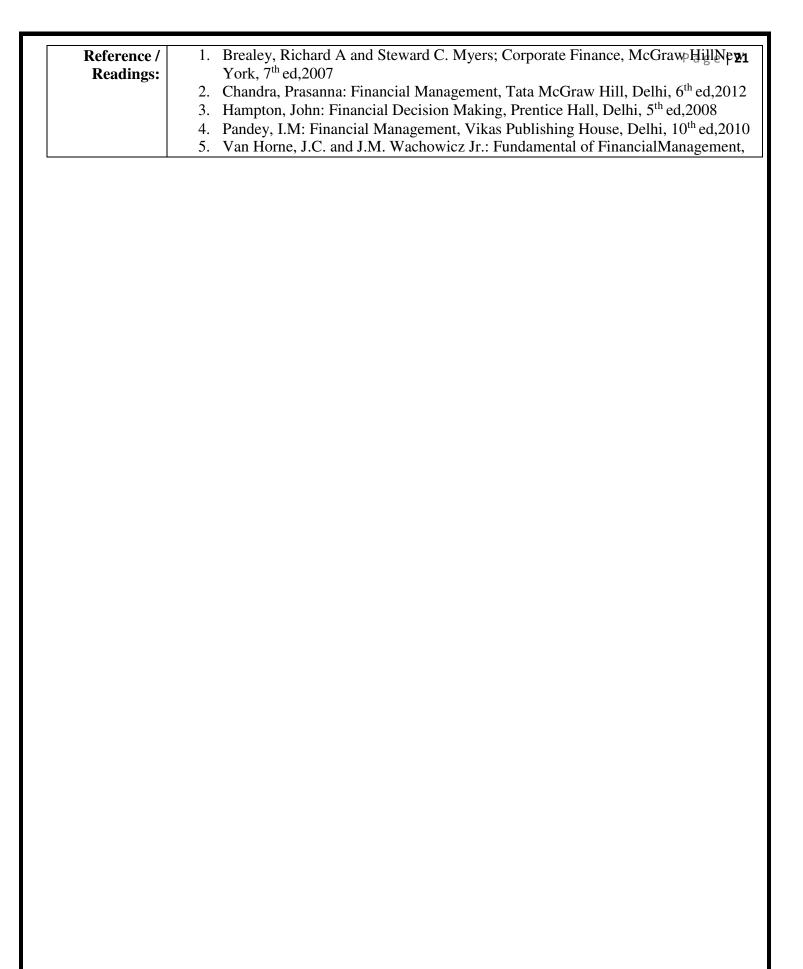
Programme	: M. Com	
Course Code	: COO 311	Title of the Course: Investment and Financing Decisions.
Number of Credits	: 4	
Effective from AY	: 2018-19	

Prerequisites:	Students have studied B. Com and basic understanding of Financial Management	ent.	
Need,	This will enable to the student to understand how corporations make importan	t investment	
Description,	and financing decisions, and how they establish working capital policies. The	course also	
and Objectives	lays a foundation for more complex financial topics that arise in additio	nal elective	
	courses in finance. This course in financial management describes the corpora		
	operating environment; it will help any future manager to understand how the	finances of	
	a company work, and how they will be interfacing withfinance		
	The course intends to emphasis the role of financial management in wealth m	aximization	
	and explains the application of financial tools in determining the value of the firm		
	The objective is to enable the students to understand the process of finance	ial decision	
	making to enhance shareholder's wealth.		
Content:	UNIT 1: Introduction to Financial Management.	9hours	
	Introduction - Meanings and Definition - Goals of Financial Management -		
	Finance Functions - Interface between Finance and Other BusinessFunctions		
	Time Value of Money: Introduction – Rationale - Future Value - Present		
	Value - Valuation of Bonds and Shares - Intrinsic Value - BookValue.	9hours	
	UNIT 2: Cost of Capital Introduction - Meaning of Cost of Capital - Cost of Different Sources of	911ours	
	Finance - Weighted Average Cost of Capital - Leverage - Operating		
	Leverage - Application of Operating Leverage - Financial Leverage -		
	Combined Leverage - Capital Structure – Introduction - Factors affecting		
	Capital Structure - Theories of Capital Structure (Including problems).		
	UNIT 3: Capital Budgeting	15hours	
	Introduction - Importance of Capital Budgeting - Complexities involved in		
	Capital Budgeting Decisions - Capital Budgeting Process - Investment		
	Evaluation - Appraisal Criteria - Capital Budgeting Techniques. (Including		
	problems).		
	UNIT 4: Risk Analysis in Capital Budgeting	15hours	
	Introduction - Types and Sources of risk in Capital Budgeting - Risk		
	adjusted Discount Rate - Certainty Equivalent Approach - Probability		
	Distribution Approach - Sensitivity Analysis - Scenario Analysis - Simulation		
	Analysis - Decision Tree Approach (Includingproblems)		
Pedagogy:	Lecture/ Classroom Discussion/ Presentation/ Case Study/ Group Project or a conference of some of these. Sessions shall be interactive in nature to enable peer group let		
	1 C 1		



	Prentice – Hall, Delhi, 6 th ed 2005
	6. Pinches, George E: Essential of Financial Management; Harper and Row, New
	York
	7. Khan MY, Jain PK: Financial Management; Tata McGraw Hill, New Delhi, 6 th e, 2012
	8. Ross, Wester field and Jordan, Fundamentals of Corporate Finance, TMH, 6 th ed, 2008
	9. V.K. Bhalla, Financial Management and Policy, Anmol Publishers, New Delhi,3 rd
	ed, 2012
	10. G. Sudarshan Reddy, Financial Management, Himalaya Publishers, 3 rd ed,2012
Learning	On successful completion of course, the students are expected to:
Outcomes:	1. Understand various forms of market imperfections and their implications
	for financial managers
	2. Understand the value impact of capital structure
	3. Have a greater appreciation and understanding of the importance of risk within
	the context of financial decision making

