

## MBA (Financial Services)

**Programme** : MBA (Financial Services)  
**Course Code** : FSC113  
**Course Title** : Corporate Finance  
**Number of Credits** : 4  
**Effective from AY** : 2020-21

<b>Need of the Course</b>	: This course focuses on corporate finance from the managerial point of view. Students will engage in vivid discussions about the key considerations behind fundamental choices CFOs face. Students will also gain insight on the company's financial decision-making processes and learn how to make educated financial decisions. Corporate financial management involves the process through which the corporation creates value through its capital allocation decisions. Using a blend of quantitative tools and analyses, managers forecast financial needs and opportunities, assess the value of these opportunities, and implement a strategy for achieving the company's financial goals. Major corporate finance decisions include capital budgeting decisions, valuation analysis, financing decisions, risk management, and dividend policy. Students will learn how to analyze how a company functions by looking into the yearly reports disclosed by companies. They will gain knowledge on how to apply the most important ratios (e.g. leverage/ return on investment) and will be able to analyze the company results.	
<b>Description of the Course</b>	: The Core function of any concern is financing, this course presents the foundations of finance with an emphasis on applications vital for corporate managers with more emphasis on financial decisions made by corporate managers both within the firm and in their interactions with investors. Topics include criteria for making investment decisions, valuation of financial assets and liabilities, relationships between risk and return, capital structure choice, pay-out policy, Management and estimation of capital and emphasizing on sources and raising funds from domestic as well as international markets.	
<b>Objectives of the Course</b>	:The main objectives of the course are: <ol style="list-style-type: none"> <li>1. To provide an in-depth understanding of the core finance functions and decisions in the area of corporate financial management.</li> <li>2. To provide a practical and problem insight for effective financial decision-making</li> </ol>	
<b>Course Content</b>		
<b>Unit 1</b>	<b>: Introduction to Corporate Finance</b>	<b>9 Hours</b>
Corporate Finance - Meaning, nature, evolution, objectives, functions and scope - Interface of financial management with other functional areas - environment of corporate finance - functions and role of financial manager, Introduction to Time Value of Money —		

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Compounding and Discounting - Importance of Risk and Return Analysis in Corporate Finance.		
<b>Unit 2</b>	<b>: Corporate Decisions</b>	<b>18 Hours</b>
<p>Capital Structure Decision-: Capital Structure Theories - Net Income Approach, Net Operating Income Approach, Traditional Approach, Modigliani-Miller Hypotheses with special reference to the process of arbitrage and Agency Cost. <i>(Including Practical Problems)</i></p> <p>Capital Budgeting Decision-: Nature - Process of capital budgeting - Investment evaluation criteria: (Discounted and Non-Discounted Methods). Risk analysis in capital budgeting and Capital rationing. <i>(Including Practical Problems)</i></p> <p>Dividend Decision-: Issues in dividend decisions - forms of dividend - Theories of relevance and irrelevance of dividends. <i>(Including Practical Problems)</i></p>		
<b>Unit 3</b>	<b>: Working Capital Management</b>	<b>12 Hours</b>
<p>Meaning – Nature - Objectives and Approaches of Working Capital - Static vs. Dynamic View of Working Capital - Factors determining requirement of Working Capital - Methods for financing of working capital - Optimum Working Capital Estimation. <i>(Including Practical Problems)</i></p>		
<b>Unit 4</b>	<b>: Mobilization of Finance</b>	<b>9 Hours</b>
<p>Sources of Short Term and Long Term Finance - mobilising equity, debt - different methods of raising these funds - Public Deposits and RBI Regulations - RBI and Public Deposits with NBFCs - Foreign Capital and collaborations - Foreign Direct Investment (FDI) - (GDRs) and (ADRs) and other External sources of Finance. <i>(Including Case Studies)</i></p>		
<b>Pedagogy</b>	The pedagogy for this course constitutes a mix of Lectures, Classroom Discussions /Assignments/Seminar Presentations.	
<b>Reference/Readings</b>	<ol style="list-style-type: none"> <li>1. Pandey, I. M. (2015). Financial Management, 11th Edition. Vikas Publishing House.</li> <li>2. Khan, MY. and Jain, PK. (2014). Financial Management, 7th Edition. Tata McGraw Hill, New Delhi.</li> <li>3. Chandra, Prasanna. (2015). Financial Management: Theory and Practice, 9th Edition. Tata McGraw Hill, Delhi.</li> <li>4. Van Horne. J.C. and J.M. Wachowicz. (2015). Fundamentals of Financial Management, 13th Edition. Prentice Hall, Delhi.</li> <li>5. Brealey, Richard A; Stewart, C. Myers and Allen, F. (2017). Principles of Corporate Finance, 11th Edition. McGraw Hill, New York.</li> <li>6. Bhole, L. M. (2017). Financial Institutions and Markets, 6th Edition. McGraw Hill.</li> <li>7. Srivastava, R. M and Divya, N. (2014). Management of Indian Financial Institutions, 9th Edition. Himalaya Publishing House.</li> <li>8. Varshney, P. N. and Mittal, DK. (2010). Indian Financial System, 11th Edition. Sultan Chand &amp; Sons.</li> </ol>	
<b>Course Outcome</b>	<p>:After completion of this course the students shall be able to</p> <p><b>CO1: Understand</b> the principles and concepts used in financial decision making;</p> <p><b>CO2: Identify</b> the best course of action among several financial options;</p> <p><b>CO3: Learn</b> to value different financial products.</p>	