

MBPC1004 CORPORATE FINANCE (3-0-0)

Course Objectives:

1. To provide students with concepts, techniques and tools of Financial Management.
2. To study, analyze and improve their knowledge on financial management practices of an organization

Module I:

Foundations of Finance: Nature & Scope. Organization of Financial Functions. Emerging role of FMs in India and in Global context. Financial Goal. Agency problems. Time value of money, Compounding and discounting. Short term and long-term sources of fund.

Module II:

Investment Decisions. Capital Budgeting: Features, types and Techniques of capital budgeting decision. Cost of Capital. **Financing Decision:** Operating Leverage, Financial Leverage. Capital structure. Theory and Policy. **Dividend Decision** Dividend Theory, Dividend Policy.

Module III:

Current Assets Management: Working Capital concepts, Policies, estimation, factors affecting working capital, Sources of financing Working Capital, **Management of Cash:** Cash budget, Management of collections and disbursement, Investment of Surplus cash; **Management of Receivables:** Terms of Credit, Credit Policy decision; **Management of Inventory:** Techniques of Inventory planning and control.

Course Outcomes:

- CO-1: Explain the foundational concepts including finance functions, financial goals, agency problems, time value of money, risk and return concepts, and various sources of funds.
- CO-2: Interpret the concepts of cost of capital and apply various capital budgeting techniques to evaluate investment proposals.
- CO-3: Describe the capital structure and its theories, analyse the impact of leverage on financing decisions, and apply dividend theories for effective dividend policies.
- CO-4: Identify strategies for effective current assets management including cash, receivables, and inventory to take working capital decisions.

Text Books:

- Fundamentals of Financial Management, Van Horne, Pearson
- Financial Management, G Sudarsan Reddy, HPH
- Essentials of Financial Management, IM Pandey, Vikas
- Financial Management, Khan & Jain, McGraw Hill,
- Financial Management, Srivastav & Misra, Oxford.
- Financial Management – Tulsian (S Chand)
- Fundamentals of Financial Management, Brigham, Cengage
- Financial Management by Prasanna Chandra , Tata McGraw Hill