

SYLLABUS FOR M. COM. PART-II (w. e. from June, 2020)
Academic Year 2020-2021

Class : M. Com. Part II (Semester- III)

Paper Code : COMBF 5301

Title of Paper : Business Finance.

Credit : 04

No. of lectures: 48

A. Learning Objectives:

- 1) To enable students to acquire sound knowledge, concept and structure of capital market and financial services provided in those markets.
- 2) To expose the students about types of markets and financial services.

A. Learning Outcome:

This will help the students to get in-depth knowledge about Capital Markets and Financial services. Students will understand the characteristics of different financial assets such as money market instruments, bonds, and stocks and how to buy and sell these assets in Capital Markets.

TOPICS/CONTENTS

UNIT 1: BUSINESS FINANCE: (10L)

- 1.1. Introduction: Meaning, Definition, Objective, Scope of Business Finance
- 1.2. Finance function in Business
- 1.3. Traditional and Modern Views of Finance
- 1.4. Profit Maximization Vs Wealth Maximization

UNIT 2: FINANCIAL PLANNING (12L)

- 2.1. Meaning - Objective, Significance, Assumptions
- 2.2. Estimating Financial Needs and Sources of Finance.
- 2.3. Steps in Financial Planning
- 2.4. Limitations of Financial Planning,
- 2.5. Capitalization – Over Capitalization - Under Capitalization

UNIT 3: SHORT TERM FINANCE AND WORKING CAPITAL (12L)

- 3.1. Meaning, Concept and Significance
- 3.2. Characteristics of short term finance – short term needs
- 3.3. Sources of short term financing – trade creditors, bank credit, bank financing of account receivables
- 3.4. Working capital – Meaning, concepts, advantages and disadvantages of short term financing.

UNIT 4: CORPORATE SECURITIES AND SOURCES OF LONG TERM FINANCE

(14L)

- 4.1. Ownership securities - equity shares: characteristics, advantage and disadvantages, preference shares: characteristics, advantage and disadvantages, Companies Act (Amendment) 2013
- 4.2. Creditor's securities- Debentures: Characteristics, Classification, Procedure of issuing debentures and Bonds.
- 4.3. The dividend decision: Background of dividend policy, measures of dividend policy, dividend yield and dividend payout.

References:

- 1) P.V.Kulkarni: Business finance, Himalaya Publishing House
- 2) S.C.Kuchal: Corporate Finance, Chaitanya Publishing House, Allahabad
- 3) Prasana Chandra: Financial Management: Theory and Practice
- 4) William L. Maggiuson, Scott B. Smart, Lawrence J. Gitman : Principles of corporate finance, Cengage Learning Private Limited, Dehli
- 5) Aswath Damodaram: Corporate Finance: Theory and Practice, Wiley International