

**Subject Code: 1MS2020333**

**Subject Title: Corporate Finance**

### 1. Course Objectives and Outline:

This subject focuses on the strategic aspect of financial management for the organizations. Students are presented with a conceptual framework for understanding and addressing problems commonly faced by corporate decision makers. The objective of the subject is to provide necessary inputs to the students in the form of concepts, theories and financial management techniques related to Investment decisions and capital financing decisions. It also emphasizes on the practical and strategic aspects of capital expenditure and merger and acquisition decisions which will equip the students to apply their skills and knowledge effectively in the future while dealing with corporate finance decisions.

### 2. Teaching Scheme (Hours per week)

Lecture (Hrs.)	Tutorial	Practical	Credit	Evaluation Scheme (Marks)		Total
				University Assessment	Internal Assessment	
4	-	-	4	60 Marks	40 Marks	100 Marks

### 3. Syllabus

Module No.	Contents	Total Hours	Weight
1	<b>Introduction to Corporate Finance:</b> Goals of Financial Management, Company Stakeholders and Agency Relationship. <b>Corporate Planning:</b> Process of Financial Planning, Types of Financial Plan, Financial Model, Tools and Techniques of Financial Modeling, Uses and Limitations of Financial Modeling, Financial Markets	12	25%
2	<b>Investment Decision:</b> Risk and Return Analysis, Risk Analysis using Probability Approach. <b>Capital Investment Decisions:</b> Cash Flow Estimation, Identifying Relevant Cash Flows. <b>Evaluating Capital Budgeting Projects:</b> Sensitivity Analysis, Scenario Analysis, Risk Adjusted Discount Rate, Certainty Equivalent Factor, Decision Trees Approach	12	25%
3	Capital Structure Decisions: Financial Leverage and Firm Value, Capital Structure Decisions, Financial Distress Costs, Estimating the Optimal Capital Structure, Capital Structure Theory	12	25%
4	<b>Valuation in Mergers and Acquisitions:</b> Mergers and acquisitions and its Types, Application of valuation models for business mergers and acquisitions, Determination of Exchange Ratio(Swap) or Purchase Consideration, Synergistic benefits and distribution of synergy gains, Expansion and Financial Restructuring	12	25%

#### 4. Course Pedagogy

The pedagogy of the subject involves Lectures, Case Discussions, Real life Business Scenarios. To enrich the learning process students will be given group tasks and assignments and live projects.

#### 5. Suggested Readings

##### a. Books

- 1 Applied Corporate Finance, By Ashwath Damodaran, Wiley Publication
- 2 Principles of Corporate Finance, By Brealey and Myers, McGraw Hill Publication
- 3 Corporate Valuation, By Prasanna Chandra, McGraw Hill Publication
- 4 Strategic Financial Management, By Ravi Kishor, Taxmann
- 5 Corporate Finance, By Ross, Westerfield, Jaffe, Jordan, McGraw Hill Publication
- 6 Strategic Financial Management, By J B Gupta, Taxmann

##### b. Journals/Magazines

- Prabandhan- Indian Journal of Management, By IIM-Ahmadabad.
- International Journal of Managerial Finance, Emeraldinsight

#### 6. Evaluation Scheme

Sr. No.	Component	Weight
1	<b>University Examination</b>	<b>60%</b>
2	<p><b>Internal Assessment</b></p> <p>-Depending on the need and objectives of the subject, internal assessment should include minimum three of the following sub-components;</p> <p><i>Class Test, Quiz, Assignments, Case Presentation, Class Participation, Projects, Team/Individual Assignments.</i></p> <p>-The weightage of a sub-component should not exceed 50% of internal assessment component weight.</p> <p>- The bifurcation of sub-components shall be communicated by the instructor before commencement of the academic sessions.</p>	<b>40%</b>