



# Rajeev Gandhi College of Management Studies

## Corporate Finance

Semester II

### I> Course Content:

Semester	2
Subject	Corporate Finance
Course Code	MMSC202
Credits	4
Duration	60 hours

### Module (Syllabus as per new Syllabus):

Unit / Module	Content	CO Outcome	Content Delivery
1	<p><b>Objectives of Corporate Finance</b></p> <p>Role and responsibilities of the financial manager, corporate finance decisions, Functions of corporate finance, Sources of Finance - Short Term and Long Term</p>	MMSC202.1 MMSC202.2	Lecture & Interactive Teaching
1	Goals of firm-profit maximization v/s Shareholders wealth concepts of Economic value addition .market value addition (EVA/MVA)	MMSC202.1 MMSC202.2	Lecture & Interactive Teaching, Procedure
2	<b>Indian Financial system -</b> Financial Markets: Capital Market (Equity and Debt market), Money market	MMSC202.1	Lecture & Interactive Teaching
2	Financial Intermediaries Financial Assets, Regulatory system	MMSC202.2	Lecture & Interactive Teaching
3	<b>Working Capital Management</b> and Short-Term Planning: Components of working capital	MMSC202.3	Lecture & Interactive Teaching, Procedure
3	working capital cycle,	MMSC202.3	Procedure

	Inventory Management		
3	Receivables Management, Cash Management	MMSC202.3	Procedure
4	<b>Financial Planning and Forecasting</b> , Meaning and importance of financial planning,	MMSC202.3	Lecture & Interactive Teaching
4	Preparation of Pro-forma Income Statement and Balance Sheet, Computation of external financing requirements	MMSC202.4	Lecture & Interactive Teaching, Procedure
5	<b>Banking and Financial Institutions</b> types: Commercial banks, Investment Banks Understanding banking Finances Sources	MMSC202.2	Lecture & Interactive Teaching
5	Deposits, Loans, Advances, NPA, gross net, Basic overview of BASEL Norms, use of AI in Banking sector	MMSC202.3	Lecture & Interactive Teaching
6	<b>Leverage Analysis:</b> Operating, financial and total leverage, Business risk, Operating and financial Risk and other types of risks	MMSC202.2 MMSC202.3	Procedure
6	Business risk, Operating and financial Risk and other types of risks	MMSC202.4	Interactive Teaching Procedure
7	<b>Capital Structure</b> , Cost of Capital, WACC, Determination of optimal capital structure,	MMSC202.2 MMSC202.3	Interactive Teaching, Procedure
7	Decision making based on parameters PE ,ROI, EBIT	MMSC202.4	Interactive Teaching, Procedure
7	Decision making based on parameters and EPS/MPS approach	MMSC202.5	Interactive Teaching, Procedure
8	<b>Valuation Concepts:</b> Future values	MMSC202.2	Interactive Teaching,

	and compound interest; present values; level cash flows: perpetuities and annuities	MMSC202.3	Procedure
8	Cash flows: perpetuities and annuities	MMSC202.4 MMSC202.5	Lecture & Interactive Teaching, Procedure
8	Financial needs and suggestions for various investment options	MMSC202.2	Lecture & Interactive Teaching
9	<b>Investment in Capital Assets:</b> Capital budgeting and estimating cash flows; capital budgeting techniques; payback period etc	MMSC202.3	Lecture & Interactive Teaching, Procedure
9	capital budgeting techniques; payback period etc	MMSC202.4	Procedure
9	Multiple internal rates of return Decision making about best alternative project for investment use various evaluation techniques like NPV, IRR, PI,ARR, Modified IRR	MMSC202.4	Lecture & Interactive Teaching, Procedure
9	Multiple internal rates of return Decision making about best alternative project for investment use various evaluation techniques like NPV, IRR, PI,ARR, Modified IRR	MMSC202.4	Lecture & Interactive Teaching, Procedure
10	<b>Dividend policy;</b> Factors affecting dividend decision	MMSC202.3	Lecture & Interactive Teaching

10	Theories of relevance and irrelevance of dividend policy Dividend decision models; Walter model; Gordon model; Walter model MM approach	MMSC202.4	Lecture & Interactive Teaching, Procedure
10	Theories of relevance and irrelevance of dividend policy Dividend decision models; Walter model; Gordon model; Walter model MM approach	MMSC202.5	Lecture & Interactive Teaching, Procedure
11	<b>Ratio Analysis</b> : Financial performance analysis using Ratios of few companies and banks	MMSC202.4	Lecture & Interactive Teaching, Procedure
	<b>Ratio Analysis</b> : Financial performance analysis using Ratios of few companies and banks	MMSC202.6	Group Activity

## Corporate Finance

Sem II

### II> Course Outcomes

<u>Course Code</u>	<u>Course Outcomes</u> Students should be able to .....	<u>Cognition</u>
MMSC202.1	Recall basic terminologies in relation to financial system, sources of finance, Leverages, Ratio, capital structure, investment decisions, dividends, financial planning, inventory and working capital management	REMEMBER
MMSC202.2	Explain the concepts & formulas pertaining to corporate finance, financial system, functions of financial management and financial practices to understand its relevance in current scenario.	UNDERSTAND
MMSC202.3	Make use of different models, formulas and frameworks related to ratios, Leverage Analysis, Capital structure, Capital budgeting, Working Capital and Dividend models.	APPLY
MMSC202.4	Examine and analyse various corporate financial statements of companies based on ratios, capital structure, capital budgeting, working capital management and dividend policies of companies and study its implications on the profits and valuation of firms	ANALYSE
MMSC202.5	Evaluate financial results to take managerial decisions related to financial planning, capital investments, dividend distribution, choice of capital structure and working capital decisions	EVALUATE
MMSC202.6	Create an analytical report on capital structure, working capital management and dividend policy of a public listed company.	CREATE

### Program Outcomes

**PO1:** Apply knowledge of management theories and practices to solve business problems

**PO2:** Foster Analytical and critical thinking abilities for data-based decision making

**PO3:** Ability to develop Value based Leadership ability.

**PO4:** Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.

**PO5:** Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to a team environment.

**PSO1:** Conceptualize and implement business schemes through the application of multidisciplinary knowledge comprising of operations, HR, IT, Finance and Marketing.

## Text Book

Sr. No.	Books
1.	Financial Management – M.Y. Khan and P.K. Jain
2.	Financial Management – Prasanna Chandra
3.	Financial Management – I. M. Pandey

## Reference Books

Sr. No.	Books
1.	Principles of Corporate Finance – Myers and Brealey
2.	Fundamentals of Financial Management – James Van Horne
3.	Fundamentals of Financial Management by Eugene F. Brigham, Joel F. Houston (2011), South Western (Cengage Learning)

