Faculty of Commerce & Management
Master of Commerce (Semester III)
(Choice Based Credit System)

CORE COMPULSORY SUBJECT

Subject: BUSINESS FINANCE **Course Code: 23-COM231** **Total Credits: 04**

Objectives:

- To acquaint the students with corporate finance required for Indian Industries.
- To make the students aware about the latest developments in the field of corporate finance.
- **To gain knowledge about various long term sources of finance and latest developments in the law related to it**
- **To develop the skill in the students related to working capital management.**

Skills to be developed:

- To make aware about the role of corporate finance and time value of money.
- To expose them to the financial planning of firms and steps involved in it.
- Students shall learn and acquire knowledge of long term and short term sources of finance available in India.
- **Students' skills about working capital management of a firm will be developed.**

Unit No	Topic	No. of Lectures	Teaching Method	Course Outcome
1	**Introduction to Business Finance** 1.1.1 Meaning 1.1.2 Objectives 1.1.3 Scope and importance **Time Value of Money:** 1.2.1 Need & Importance 1.2.2 Future value 1.2.3 Present value through discounted cash flow technique **1.2.4 Calculating Time Value using Technology** **1.2.5 Introduction of IIR**	10	Lecture, PPT, Group Discussion, Library Work, Assignment	• Students will be able to understand the role and importance of corporate finance, and learn the calculation value of money. • **Students will be able to calculate various values.** • **students will be able to compare between past value and future value**
2	**Strategic Financial Planning:** 2.1 Meaning - objectives, assumptions, 2.2 Steps in financial planning estimating financial requirements of firm 2.3 Limitations of financial planning 2.4 Capitalization - over capitalization, undercapitalization, 2.5 Theories of capitalization, 2.6 Estimating financial needs and Sources of finance.	12	Lecture, PPT, Group Discussion, Library Work, Assignment, **Annual Report of 30 top companies**	• Students will be able to understand the financial planning, theories of capitalization and estimation of finance need of firm. • **Students will be able to analyze and investigate annual reports of companies.**
3	**Sources of Long term Finance:** 3.1 Ownership securities - equity shares: characteristics, advantage and disadvantages 3.2 Preference shares: characteristics, advantage and disadvantages 3.3 Companies Act (Amendment) 2013 3.4 Creditor's securities- debentures: characteristics, classification, procedure of issuing debentures and Bonds. 3.5 Company Deposit 3.6 **Deployment of long term finance**	14	Lecture, PPT, Group Discussion, Library Work, Assignment,	Students will be able to learn the sources of finance to be tapped for running business successfully.

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4	**Short Term Finance and The Innovative Capital Market Instruments** 4.1.1 Characteristics of short term finance – short term needs, 4.1.2 Sources of short term finance 4.1.3 Role of working capital 4.1.4 Best management practices of working capital **The Innovative Capital Market Instruments** **4.2.1 Warrants** **4.2.2 Secured Premium Notes (SPN)** **4.2.3 PCD / NCD with Buyback Arrangements** **4.2.4 American Depository Receipts (ADRs)** **4.2.5 Global Depository Receipts (GDRs)** **4.2.6 Euro Commercial Papers (ECPs)** **4.2.7 External Commercial Borrowings (ECBs)** **4.2.8 Introduction to reading Balance Sheet** **4.2.9 Deployment of Short term finance**	12	Lecture, PPT, Group Discussion, Library Work, Assignment, Use of internet	Students will be able to apply best practice in working capital management.
	Total	**48**		

Recommended Books:

- Aswath Damodaram: Corporate Finance: Theory and Practice, Wiley International
- Bhole L.M. and Mahakud Jitendra, 'Financial Institutions and Markets', Tata McGraw-Hill Education, Delhi.
- Kuchal S.C., 'Corporate Finance', Chaitanya Publishing House, Allahabad
- Kulkarni P.V., 'Business Finance', Himalaya Publishing House
- Prasana Chandra, 'Financial Management: Theory and Practice'
- William L. Maggiuson, Scott B. Smart, Lawrence J. Gitman, 'Principles of corporate finance', Cengage Learning Private Limited, Delhi.
- **Robert Kiyoski - 'CashFlow Quadrant'**

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M. COM. PART II
SEMESTER IV

Class: M. Com. Part II (Semester- IV)
Paper Code: 23-COM241
Title of Paper: Capital Market and Financial Services (Core Compulsory)
Credit: 4
No. of lectures: 48

❖ **Learning Objectives:**

- To enable students to acquire sound knowledge, concept and structure of capital marketand financial services provided in those markets.
- To provide the knowledge about types of markets.
- To develop skills of generating capital by getting knowledge of working of differenttypes of Financial Services.
- To gain knowledge of financial services rendered by intermediaries and their role andactivities in the financial market.

Unit No.	Contents	No. of Lectures	Course Outcome
1	**CAPITAL MARKET** 1.1 Meaning, Functions, Structures, Characteristics & Participants of Capital Market 1.2 Capital Market Instruments **A.** Equity Shares **B.** Preference Shares **C.** Debenture **D.** Bonds 1.3 **Innovative Debt Instruments** **A.** Junk Bonds **B.** Naked Bonds **C.** Deep Discount Bonds 1.8 **Types of Contracts** **A.** Forward Contract **B.** Future Contract **C.** Option Contract **1.9 New Investments Tools of Capital Market** **1.10** New Trends in Capital Market	**12**	1-This will help the students to get in-depth knowledge about Capital Markets & Financial Services. 2-Students will understand the characteristics of different financial assets such as money market instruments, bonds and stocks as well as how to buy and sell these assets in Capital Markets.
2	**STOCK EXACHANGE** 2.1 **Overview of Stock Exchange** 2.1.1 Bombay stock exchange 2.1.2 National Stock Exchange 2.1.3 Over the Counter Exchange of India (OTECEI) 2.2 **Primary Market** 2.2.1 Functions of primary market 2.2.2 Issue mechanism 2.2.3 Procedure of IPO 2.2.4 Price Bank 2.2.5 Participants 2.2.6 Prospectus 2.3 **Listing of Securities** 2.3.1 Procedure 2.3.2 Annual Return Filing to Stock Exchange by ShareListed Co.	**12**	Get familiarized with the Stock Market and also understand the functions and objectives of Primary and Secondary Market.

	2.4 **Secondary Market** 2.4.1 Objectives of Secondary Market 2.4.2 Functions of Secondary Markets 2.4.3 Stock Broking 2.4.4 E-Broking 2.4.5 Depository System 2.4.6 Functions of Stock Market 2.4.7 Benefits Stock Market 2.4.8 Index, SENSEX, NIFFTY 2.4.9 Intraday Trading 2.4.10 Delivery Trading 2.4.11 Derivatives Trading		
3	**FINANCIAL SERVICES** **3.1 Merchant Banking and Underwriting, CollectingBankers** 3.1.1 Meaning & Functions of Merchant Banking 3.1.2 Services Rendered 3.2 **Mutual funds** 3.2.1 Meaning & Functions of Mutual Funds 3.2.2 Types of Mutual Funds 1. Open and Closed Ended Funds **2. Equity, Debt & Hybrid Fund** **3. Low Risk, Moderate Risk & High Risk Fund** 4. Tax Saving, Growth & Fixed Income Fund 3.2.3 **Entry Load & Exit Load of Mutual Fund** 3.3 **Credit Rating** 3.3.1 Meaning & Need of Credit Rating 3.3.2 Various Credit Rating Agencies in India 3.4 Foreign Investment 3.4.1 Foreign Institutional Investment (FIIS) 3.4.2 Foreign Direct Investment 3.5 Hedge Funds & Offshore Funds	**12**	Get the knowledge of Merchant Banking, Mutual Funds, Credit Rating and Foreign Direct Investment.

4	PORTFOLIO MANAGEMENT 4.1 Portfolio Management Service 4.1 Meaning of Portfolio 4.2 Meaning of Portfolio Management 4.3 Objectives of Portfolio Management 4.4 Types of Portfolio Management 4.5 Process in Portfolio Management 4.6 Significance of Portfolio Management 4.7 Meaning of Portfolio Manager 4.8 Roles & Responsibilities of Portfolio Manager	12	Get the knowledge of Portfolio Management.

List of Learning Activities and Allocation of Periods:

S.N.	ACTIVITIES	NO. OF LECTURES
1	Quizzes	4
2	Assignments	4
3	Class Room Tests/ Presentation	4
	Total	12

Method of Evaluation:

Subject	Internal Evaluation	External Evaluation
Unit – I	40 %	60 %
Unit – II	40 %	60 %
Unit – III	40 %	60 %
Unit – IV	40 %	60 %

Reference:

S.N.	TITLE OF THE BOOK	NAME AUTHOR/S	PUBLICATIONS
1	Indian Financial System	M. Y. Khan	Tata McGraw Hill Publishing Co. Ltd.
2	Capital Markets Institutions and Instruments	Franck J. Fabozzi Franco Modigilani	Prentice Hall of India, New Delhi
3	Financial Markets and Institutions	Fredric Mishkin Stanley Eakins	Pearson Prentice Hall
4	Capital Market in India	Rajesh Chakrabarthi	
5.	Indian Capital Market	NidhiBothra, PayelJain	Vinod Kothari &Co.
6	International Financial Mgt	Dr. P.G.Apte	Tata McGraw Hill Publishing Co. Ltd.

Pedagogy:

- Participative Learning
- Student Centered Learning
- Discussions
- Assignment
- Visiting Stock market
- Conceptual learning
- Guest Lecture of Portfolio Manager on-Tools of Portfolio Mgt.

BOS Chairman
(Banking & Finance)