

Masters of Business Administration (MBA) – Semester - 2 Course Teaching Plan

Course Title: Corporate Finance

Course Code: 340030202

Course Credit: 4

1. Course Introduction:

The course is designed to provide an understanding of the essential elements of financial management and the financial environment in which the business firm operates. The paper will examine the objective of shareholder wealth maximization which encompasses much of modern corporate finance and its implication for decision making in the present context.

2. Course Objective:

- The course will make the students familiar with financial techniques and their applications in managerial decision making and to develop ability for analysing financial problems in a business framework.
- The course will make the students develop the decision making skills with the help of a few cases.

3. Course Learning Outcomes:

CLO1: Explain the evolution, objectives and functions of corporate finance and interface of corporate finance with other functional areas.

CLO2: Explain the concept of time values of money

CLO3: Ability to conduct discounted cash flow analysis and capital budgeting decisions with estimated company's cost of capital

CLO4: Understand how to decide the decision of capital structure and distribution of dividend

CLO5: Analysis of working capital needs of the company

4. CLO –PO Mapping Matrix

	PO1	PO2	PO3	PO4	PO5
CLO1	3	3	2	3	3
CLO2	3	3	1	2	-
CLO3	3	3	3	2	1
CLO4	3	3	2	2	1
CLO5	3	3	3	1	1

Correlation levels: 3= 'High', 2= 'Medium', 1= 'Low' and '-' = No correlation

5. Course Contents and Session Plan:

Session No	Syllabus Content
UNIT-1: Introduction of Corporate finance and Basic Financial Mathematics	
1-2	Understanding meaning of Financial Management
3-6	Time Value of Money
	1) Interest Rate: Simple Vs Compounding Interest Rate
	2) Time Line and Time Points
	3) Doubling Rules
	4) Future Value and Present Value Single Amount
	5) Future Value and Present Value Annuity Amount
UNIT-2: Investment Criterion and Cost of Capital Decisions	
7	Estimation of Cash Flow:
	1) Basic Understanding of different cash-flows
	2) Projected Cash Flow Statement
8-11	Capital Budgeting
	1) Investment Decisions and process
	2) Techniques of Investment Selection
	3) DCF Techniques- NPV, PI, IRR, MIRR, Discounted Payback
	4) Non-DCF Techniques- Payback
12-15	Cost of Capital
	1) Meaning and Concept
	2) Calculation of WACC
	3) CAPM Concept
	4) Dividend Discount Model
UNIT-3: Capital Structure	
16-17	Sources of Finance:
	1) Different Long-Term Sources of Finance
	2) Process of raising long term sources of finance

18-20	Capital Structure and Firm Value
21-24	Capital Structure Decision
	1) EBIT- EPS Analysis
	2) Leverage Analysis
UNIT- 4: Dividend Decision	
25-26	Dividend Decision Theory
	1) Reasons for paying dividend
	2) Dimensions of Dividend Decision
	3) Bonus Issue
	4) Split Issue
27-30	Dividend Decision and Firm Value
	1) Walter Model
	2) Gordon Model
	3) Miller and Modigliani Approach
UNIT – 5: Working Capital Management	
31-34	Working Capital financing
	1) Concept
	2) Components of WC
	3) Operating Cycle
	4) Estimation of Working Capital Requirement
35-36	Working Capital Finance Source
37-38	Cash Management
	1) Need of liquidity and motives
	2) Surplus liquidity investments
	3) Boumol model
	4) Miller and Orr Model
40	Credit Management

6. Assessment

Specific assessment method	% Weightage	Theory	Practical
Exam	50%	√	√
Class Participation	10%	√	
Class Assignments	20%	√	√
Class Activities/Project	20%	√	√

7. Educational Resources

Educational Resources	Description
Text Book	Financial Management: Theory and Practices Author: Prasanna Chandra, 10th Edition, McGraw Hill
Reference Book	Financial Management by I M Pandey, Vikas Publication
Journals/ Magazine/periodicals	1. Finance India 2. Global Journal of Finance & Management 3. Journal of Business & Financial Affairs 4. Economic Times 5. Financial Express 6. Business Standard
Video lecture (NPTEL, MOOC, you tube lecture)	Udemy “MBA ASAP Corporate Finance Fundamentals” (https://www.udemy.com/course/corporate-finance-fundamentals/)
Course related important Web links	1. www.nseindia.com 2. www.bseindia.com 3. www.sebi.gov.in 4. www.moneycontrol.com