



Shri Vaishnav Vidyapeeth Vishwavidyalaya, Indore
Shri Vaishnav School of Management
Choice Based Credit System (CBCS) in Light of NEP-2020
GENERIC ELECTIVE ODD SEMESTER

GUCOM105 Corporate Finance for Business Decision

COURSE CODE	CATEGORY	COURSE NAME	TEACHING & EVALUATION SCHEME								
			THEORY			PRACTICAL		L	T	P	CREDITS
			END SEM University Exam	Two Term Exam	Teachers Assessment *	END SEM University Exam	Teachers Assessment *				
GUCOM105	GE	Corporate Finance for Business Decision	60	20	20	-	-	4	-	-	4

Legends: L - Lecture; T - Tutorial/Teacher Guided Student Activity; P – Practical; C - Credit; GE – Generic Elective

***Teacher Assessment** shall be based on the following components: Quiz/Assignment/ Project/Participation in Class, given that no component shall exceed more than 10 marks.

Course Objective

1. Understand the role of corporate finance and its importance in business decision-making.
2. Develop financial planning and forecasting skills to support strategic planning.

Examination Scheme

The internal assessment of the students' performance will be done out of 40 Marks. The semester Examination will be worth 60 Marks. The question paper and semester exam will consist of five questions. Each question will carry 12 Marks and consist of four questions, out of which student will be required to attempt either question number (a) and (b) or question number (c) and (d).

Each question i.e. (a), (b), (c) and (d) will be of 6 marks.

Course Outcomes

CO1 Familiarize and Understand the fundamental concepts of finance and their role in business decision-making.

CO2 Apply time value of money concepts in evaluating investment opportunities.

CO3 Evaluate investment projects using various capital budgeting techniques.

CO4 Understand the principles of capital structure and financing decisions.

CO5 Grasp the basics of working capital management and its impact on operations.

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COURSECONTENT

UNIT I: INTRODUCTION TO CORPORATE FINANCE

- Definition and scope of corporate finance
- Objectives of Corporate finance
- Financial goals of a company
- Critical analysis of Profit Maximization, Wealth Maximization

UNIT II: INVESTMENT DECISION

- Concept, Significance, Characteristics of Capital Investment
- Types of Capital Investments
- Capital Budgeting Process
- Estimation of Costs and Benefits
- Methods for Decisions Making -Payback Period, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Profitability Index

UNIT III: FINANCING DECISION

- Definition of Capital Structure
- Capital Structure – Theories
- Meaning of Operating and Financial Leverages
- Measures of Operating and Financial Leverages
- Effect on the shareholders' risk, financial risk

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UNIT IV: CAPITAL STRUCTURE DECISION

- Concept, Significance of Cost of Capital,
- Overall, vs. Specific Cost of Capital
- Debt, Preference Shares (Both Redeemable and Non-Redeemable)
- Equity, Retained Earnings
- Calculation of Weighted Average Cost of Capital

UNIT V: WORKING CAPITAL DECISION

- An overview of working capital management
- Definition of working capital
- Types of working capital
- Computation of Working Capital
- Determinants of Working capital

Suggested Readings

1. Bose Chandra (2009), *Fundamentals of Financial Management*, PHI, Latest edition, Latest edition
2. Brigham (2013), *Fundamentals of Financial Management*, engage Learning, Latest edition
3. Chandra, Prasanna (2008), *Financial Management: "Theory and Practice"*, Tata McGraw-Hill Education, Latest edition
4. Khan M Y & Jain P K (2011), *Financial Management: Text, "Problems Cases"*, Tata McGraw - Hill Education, Latest edition
5. Pandey I.M. (2015), *Financial Management*, Vikas Publication House, Latest edition

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