

## **BA5009 CORPORATE FINANCE**

### DETAILED SYLLABUS

#### **OBJECTIVES**

Student will acquire

- Nuances involved in short term corporate financing
- Good ethical practices

#### **UNIT I INDUSTRIAL FINANCE**

Indian Capital Market – Basic problem of Industrial Finance in India. Equity – Debenture financing – Guidelines from SEBI, advantages and disadvantages and cost of various sources of Finance - Finance from international sources, financing of exports – role of EXIM bank and commercial banks.– Finance for rehabilitation of sick units.

#### **UNIT II SHORT TERM-WORKING CAPITAL FINANCE**

Estimating working capital requirements – Approach adopted by Commercial banks, Commercial paper- Public deposits and inter corporate investments.

#### **UNIT III ADVANCED FINANCIAL MANAGEMENT**

Appraisal of Risky Investments - certainty equivalent of cash flows and risk adjusted discount rate - risk analysis in the context of DCF methods using Probability information - nature of cash flows - Sensitivity analysis - Simulation and investment decision, Decision tree approach in investment decisions.

#### **UNIT IV FINANCING DECISION**

Simulation and financing decision - cash inadequacy and cash insolvency - determining the probability of cash insolvency- Financing decision in the Context of option pricing model and agency costs- Inter-dependence of investment- financing and Dividend decisions.

#### **UNIT V CORPORATE GOVERNANCE**

Corporate Governance - SEBI Guidelines- Corporate Disasters and Ethics-Corporate Social Responsibility- Stakeholders and Ethics- Ethics, Managers and Professionalism.

## REFERENCES

1. Richard A.Brealey, Stewart C.Myers and Mohanthy, Principles of Corporate Finance, Tata McGraw Hill, 9th Edition, 2011
2. I.M.Pandey, Financial Management, Vikas Publishing House Pvt., Ltd., 12th Edition, 2012.
3. Brigham and Ehrhardt, Corporate Finance - A focused Approach, Cengage Learning, 2nd Edition, 2011.
4. M.Y Khan, Indian Financial System, Tata McGraw Hill, 6th Edition, 2011
5. Smart, Megginson, and Gitman, Corporate Finance, 2nd Edition, 2011.
6. Krishnamurthy and Viswanathan, Advanced Corporate Finance, PHI Learning, 2011.
7. Website of SEBI
8. Besley, Brigham, Parasuraman, Corporate Finance, Cengage Learning, 2015
9. Michael C.Ehrhardt, Eugene F.Brigham, Corporate Finance – A focused approach, Cengage Learning, 2011.
10. Madura, International Corporate Finance, 10th edition, Cengage Learning, 2014.