

Course Code	Course Title	L	T	P	C
BHUM226L	Corporate Finance	3	0	0	3
Pre-requisite	NIL	Syllabus version			
		1.0			
<b>Course Objectives</b>					
<ol style="list-style-type: none"> <li>1. To provide foundational knowledge of corporate finance.</li> <li>2. To analyse and interpret major corporate issues and challenges.</li> <li>3. To advance strategic financial decision-making skills</li> </ol>					
<b>Course Outcomes</b>					
<p>Upon successful completion of the Course the students will be able to</p> <ol style="list-style-type: none"> <li>1. Understand the foundational theories and concepts of corporate finance</li> <li>2. Analyze capital budgeting process and techniques</li> <li>3. Estimate cost of capital with due consideration of risk and returns.</li> <li>4. Evaluate long term financing decisions</li> <li>5. Develop strategic understanding of Mergers, Acquisition and Corporate Restructuring</li> <li>6. Demonstrate application orientation skills in valuation</li> </ol>					
<b>Module:1</b>	<b>Corporate Finance: Introduction</b>	<b>6 hours</b>			
Scope and Objectives of Corporate Finance - Overview of Financial Management Process - Financial Goals and Constraints - Role of Financial Manager - Tools of Corporate Finance -Understanding of Financial Statements and Cash Flows - Corporate Financing Decision – Corporate Taxes					
<b>Module:2</b>	<b>Net Present Value and Investment rules</b>	<b>6 hours</b>			
Time Value of Money - Present and Future Value of Single Payments - Capital Budgeting Tools and Techniques and Decisions					
<b>Module:3</b>	<b>Cost of Capital, Risk and Return</b>	<b>7 hours</b>			
Concepts of Risk and Return – Diversifiable and Non - Diversifiable Risk – Risk Return Trade off- Cost of Capital - Cost of Debt Capital - Cost of Equity Capital - Cost of Preference Capital- Weightage Average Cost of Capital- Capital Asset Pricing Model (CAPM) - Security Market Line (SML).					
<b>Module:4</b>	<b>Long Term Financing</b>	<b>5 hours</b>			
Early Stage Financing – Venture Capital - IPO – FPO - Rights Issue. Equity – Common and Preferred Stock; Debt – Bank Loans- Bonds – International Bonds - Capital Dilution – Leasing - Types of Leasing.					
<b>Module:5</b>	<b>Mergers, Acquisition and Corporate Restructuring</b>	<b>6 hours</b>			
Merger and Acquisition in India, Forms of Merger, Concept of Acquisition, Difference between Merger and Acquisition, Strategic Rationales for M&A, Steps in M&A Process, Due Diligence, Regulatory Framework for M&A - Corporate Restructuring.					
<b>Module:6</b>	<b>Valuation: Principles and Practice</b>	<b>8 hours</b>			
Concept of Valuation - Equity Valuation – Valuation Models - Dividend Discount Model - Discounted Cash Flow Model - Residual Income Model – Asset - based Model.					
<b>Module:7</b>	<b>International Corporate Finance</b>	<b>5 hours</b>			
Foreign Exchange Markets - Exchange Rates – Exchange Rate Risk – Interest Rate – Interest Rate Risk – International Capital Budgeting – Political Risk – Risk Management Tools.					

<b>Module:8</b>	<b>Contemporary Issues</b>	<b>2 hours</b>	
		<b>Total hours:</b>	<b>45 hours</b>
<b>Text Book(s)</b>			
1.	Aswath Damodaran (2020) Corporate Finance: Theory and Practice John Wiley & Sons.		
2.	Ross, S. A., Westerfield, R., Jordan, B. D., & Biktimirov, E. N. (2021) Fundamentals of Corporate finance. McGraw-Hill		
<b>Reference Books</b>			
1.	Brealey Myer (2013) Principles of Corporate Finance McGraw-Hill Education.		
2	Vernimmen, P., Quiry, P., & Le Fur, Y. (2022). Corporate finance: theory and practice. John Wiley & Sons.		
3	Jonathan Berk, Peter DeMarzo, Jarrad Harford, Fundamentals of Corporate Finance (2019, 3 <sup>rd</sup> Edition), Pearson, India.		
Mode of Evaluation: CAT / Assignments / Quiz/ Final Assessment Test			
Recommended by Board of Studies		06-03-2023	
Approved by Academic Council		No. 69	Date 16-03-2023