

M.Com. Part II
(2016-2021)
Title: Business Finance

Semester III	Subject Code: MCM 31601	Lectures: 60
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Objectives:

- To create awareness about the dynamics of business finance and its varied instruments
- To find out the need and importance of time value of money in business finance
- To gain knowledge of long term and short term sources of finance
- To enable students to gain the ability towards project preparation and financing.

Unit 1: Introduction to Business Finance

04

- Meaning,
- Objectives,
- Scope and
- Importance of Business Finance

Unit 2: Time Value of Money

06

- Need
- Importance
- Present Value
- Future Value

Unit 3: Strategic Financial Planning

08

- Meaning,
- Objectives
- Steps in Financial Planning
- Estimating financial requirements
- Limitations of financial planning,
- Capitalization

- Over Capitalization
- Under Capitalization

Unit 4: Corporate Sources of Finance: Long Term

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- **Ownership Securities:**
 - ❖ Equity Shares: Characteristics, Advantages and Disadvantages
 - ❖ Preference Shares: Characteristics, Advantages and Disadvantages
- **Creditorship Securities:**
 - ❖ Debentures: Characteristics, Classification and procedure of issuing debentures and bonds
- **The Dividend Decision:**
 - ❖ Background of dividend policy, measures of dividend policy, dividend yield and dividend payout

Unit 5: Corporate Sources of Finance: Short Term

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Characteristics Sources

- Trade Creditors
- Bank Credit
- Account Receivables
- Working Capital

Advantages and Disadvantages of short term finance

Unit 6: Project Financing

10

- Meaning
- Importance
- Project Preparation
- Evaluation of Project: Technical analysis; Commercial analysis; Financial analysis and managerial analysis

Library Assignments and Reference Work

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Recommended Books:

1. *Financial Services in India* by M.Y. Khan
2. *Corporation Finance* by S.C. Kucchal, Chaitanya Publishing House, Allahabad
3. *Financial Management* by J.M. Pandey, Vikas Publishing house
4. *Financial Institutions and Markets: structure, Growth and Innovations; Fifth Edition* by L. M. Bhole and Jitendra Mahakud
5. *Financial Markets and Institutions, Abridged tenth edition* by Jeff Madura, Florida Atlantic University
6. *Financial Management, Third edition*, by P. Periasamy, Vijay Nicole Imprints Pvt. Ltd, Chennai
7. *Investment Analysis and Portfolio Management* by Prasanna Chandra, Tata McGraw Hill
8. *Advanced Financial Management* by Dr.MA Kohok; Dr. S.K Mishra and D.P. Bhivpathaki
9. *Investment Valuation: Tools and Techniques for determining the value of any asset* by Aswath Damodaran

Webliography:

1. <http://www.nism.ac.in>
2. www.bseindia.com
3. <http://www.nseindia.com>