Course title: Corporate Finance				
Course code: PPM 122	No. of credits: 3	L-T-P: 31-11-00	Learning hours: 42	
Pre-requisite course code and title (if any): N Department: Department of Business and Sustain.			I.	
Course coordinator:		· instructor.		
	Course	Course instructor:		
Contact details:				
Course type: Core	Cour	Course offered in: Semester II		

Course description:

In this course the students are exposed to the decisions taken by an individual or a business firm, which have financial implications. While decision processes are dealt with the objective of maximization of wealth of shareholders, a focus is kept on sustainability issues.

Course objectives:

The students will be given an overview of the financial system, the ideas of compounding and discounting and the basic risk-return trade-off in finance. They will be given a clear understanding of the financial decision-making process. The course will explain the role of finance in corporate strategy, will guide students on resource allocation decisions and will make the students explore how to determine the right balance of debt and equity capital to maximize firm value. The problems that managers may face and the decisions they would need to make will be approached keeping three issues in mind: maximization of wealth, risk-return trade-offs and aspects of sustainability inbusiness.

Course contents

Module	Topic	L	T	P
1	An introduction to finance Evolution of finance as a discipline The scope of finance function, Forms of business organization, The financial decision making	1	0	0
2	Financing decision Concept of leverages, Operating, Leverage Financial Leverage, EBIT- EPS analysis	2	1	0
3	Concepts of valuation (1) Time value of money Compounding technique Future value Discounting techniques Present value Applications	2	2	
	(2) Risk and return Risk & return of a singleasset Risk & return of aportfolio Measurement of marketrisk Relationship between risk & return: TheCAPM	2	1	

(1) Capital budgeting Nature of capital budgeting Evaluation techniques NPV, IRR, Profitability index methods (2) Cost of capital Basic concepts Measurement of cost of capital Cost of debt Cost of debt Cost of debt Cost of deptil Capital market Capital market efficiency Primary and secondary markets Organized exchanges in India SEBI 6 Long-term financing	4	Module 4: Long term investment decision	4	2.	
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Evaluation criteria:

- Test 1: Assignment/s 20%
- Test 2: Quizzes 20%
- Test 3: Written 30%
- Test 4: Written 30%

Learning Outcomes:

Developing -

A Comprehensive understanding of business finance;

A comprehensive idea of sustainability financing and financial sustainability;

Requisite skills needed for financial decision making;

An introductory knowledge about finance markets.

Pedagogical approach:

A combine of class-room teaching and interaction, tutorial sessions and case studies.

Materials:

Suggested readings

- 1. Pandey, I.M., Financial Management, Vikas Publishing, New Delhi, $10^{\hbox{\scriptsize th}}$ edition.
- 2. Chandra, Prasanna, Financial Management: Theory and Practice, Tata McGraw-Hill Publishing Co, New Delhi, 8th edition.

Additional Readings

1. Brealey, Myers and Allen, Principles of Corporate Finance, McGraw-Hill Book Company, 10thedition.

Additional information:

Students are strongly advised to read at least one business news daily like the Economic Times, the Business Standard and the Financial Express.

The following websites may also be visited at regular intervals:

- www.bseindia.com;
- www.nseindia.com
- www.unpri.org

We have the corporate database CAPITALINE PLUS. Students are advised to use it for assignment and other work.

Student responsibilities:

Attendance, feedback, discipline: as per university rules.

Prepared by: Manipadma Datta

Course Reviewers:

- 1. Dr. Madhu Vij, Professor of Finance, FMS, University of Delhi.
- 2. Dr. S. K. Chaudhury, Director, IPE Global.