



Course Syllabus  
Gyanmanjari Institute of Commerce  
Semester-2(B.Com)

**Subject:** Corporate Finance and Investment - BCOFA12306

**Type of course:** Major (Core)

**Prerequisite:** Basic Finance related knowledge.

**Rationale:**

This syllabus in Corporate Finance and Investment covers essential topics like financial management, sources of finance, money market instruments, investment decisions, and cost of capital. By following this curriculum, students will acquire a strong foundation in financial principles, enabling them to analyze investment opportunities, understand capital structure decisions, and contribute effectively to the field of finance.

**Teaching and Examination Scheme:**

Teaching Scheme			Credits	Examination Marks			Total Marks
CI	T	P	C	SEE	CCE		
					MSE	ALA	
4	0	0	4	100	30	70	200

*Legends: CI-Class Room Instructions; T – Tutorial; P - Practical; C – Credit; SEE - Semester End Evaluation; MSE- Mid Semester Examination; V – Viva; CCE-Continuous and Comprehensive Evaluation; ALA- Active Learning Activities.*

4 Credits \* 25 Marks = 100 Marks (each credit carries 25 Marks)

SEE 100 Marks will be converted in to 50 Marks

CCE 100 Marks will be converted in to 50 Marks

It is compulsory to pass in each individual component.



**Course Content:**

Sr. No	Course content	Hrs.	% Weightage
1	<p><b>Financial Management:</b> Classification of finance, Corporate Finance, Evolution of finance, Finance Functions, Role of a finance manager, The Basic Goal: Creating Shareholder Value, Organization of Finance Functions, Agency issues, Business ethics and social responsibility.</p> <p><b>Sources of Finance:</b> Classification of sources of funds, Long-Term Sources of finance, Short-Term Sources of finance, International Financing, Factors Affecting the Choice of the Source of Funds, Equity Shares, Preference Shares, Types of Preference Shares, Debentures, Types of Debentures, Debt v/s Equity Financing.</p>	15	25
2	<p><b>Money Market Instruments:</b> Indian Money Market, Participants of Money Market, Functions of Money Market, Treasury Bills, Commercial Paper, Certificate of Deposit, Treasury Management, External Commercial Borrowings, Micro Small and Medium Enterprise, Financing for MSMEs: Equity funding.</p>	15	25
3	<p><b>Investment Decisions:</b> Nature of Capital Budgeting Decisions, Importance of Investment Decisions, Types of Decisions, Types of Decisions, Investment Evaluation Criteria, Definition of Payback, Discounted payback period, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Profitability Index (PI), Cash Flow Estimation, NPV vs IRR, Risk involved in Capital Budgeting. Techniques of Risk Analysis, Sensitivity Analysis.</p>	15	25
4	<p><b>Cost of Capital:</b> Discount Rate, Meaning of Cost of Capital, Importance of Cost of Capital, Weighted Average Cost of Capital, Cost of Equity Capital, Steps in the calculation of WACC, International Dimensions in Cost of Capital</p> <p><b>Financing Decisions:</b> Capital Structure, Capital Structure Theories, Net Income Approach, Net Operating Income Approach, Traditional Position, Modigliani-Miller (MM) Approach, Checklist for Capital Structure Decisions, Costs of Financial Distress</p>	15	25



**Continuous Assessment:**

Sr. No	Active Learning Activities	Marks
1	<b>Report on Sources of finance:</b> Students will have to prepare report on types sources of finances in case of a company and students also have to upload report on GMIU Web Portal.	10
2	<b>Report on Money Market:</b> Faculty will assign students, specific money market instruments like Treasury Bills or Commercial Paper. Students will have to analyse and prepare report explaining the functions and importance of their assigned instrument. The students also have to upload report on GMIU Web Portal.	10
3	<b>Case Study:</b> Faculty will provide a case study involving a company or industry's scenario relevant to Financial Management. The student must identify the problem and draft the answer for that problem, responses to the problems, they have to submit as a written report on GMIU Web Portal.	10
4	<b>Cost of Capital Analysis:</b> The students have to select any company and make detailed analysis of Cost of Capital of that company and prepare report on the calculation and analysis Weighted Average Cost of Capital (WACC) and give recommendations of the same. The students also have to upload report on GMIU Web Portal.	10
5	<b>Project Analysis:</b> Students have to create investment proposals for hypothetical projects. They should use capital budgeting techniques to justify their project choices and prepare report on findings of the same and upload it on GMIU Web Portal.	10
6	<b>Company Dividend Policy:</b> The students will be asked to select a company and analyze its dividend policy of past few years and prepare a report on it and upload report on GMIU Web Portal.	10
7	<b>Attendance</b>	10
Total		70



**Suggested Specification table with Marks (Theory):100**

Distribution of Theory Marks (Revised Bloom's Taxonomy)						
Level	Remembrance (R)	Understanding (U)	Application (A)	Analyze (N)	Evaluate (E)	Create (C)
Weightage	35%	40%	25%	-	-	-

Note: This specification table shall be treated as a general guideline for students and teachers. The actual distribution of marks in the question paper may vary slightly from above table.

**Course Outcome:**

After learning the course, the students should be able to:	
CO1	Evaluate diverse funding sources and make informed decisions for long-term and short-term financing.
CO2	Understand money market instruments, treasury management, and equity funding for MSMEs.
CO3	Analyze investment decisions using various methods, assessing profitability and risks.
CO4	Grasp cost of capital calculations, capital structure theories, and dimensions for strategic financial planning.

**Instructional Method:**

The course delivery method will depend upon the requirement of content and need of students. The teacher in addition to conventional teaching method by black board, may also use any of tools such as demonstration, role play, Quiz, brainstorming, MOOCs etc.

From the content 10% topics are suggested for flipped mode instruction.

Students will use supplementary resources such as online videos, NPTEL/SWAYAM videos, e-courses, Virtual Laboratory

The internal evaluation will be done on the basis of Active Learning Assignment

Practical/Viva examination will be conducted at the end of semester for evaluation of performance of students in laboratory.



**Reference Books:**

[1] "CORPORATE FINANCE AND INVESTMENT DECISIONS & STRATEGIES "by Richard Pike and Bill Neale

[2] Fundamentals of Financial Management, By Sharan, Pearson Education

[3] FUNDAMENTALS OF FINANCIAL MANAGEMENT, By BHABATOSH BANERJEE, PHI Learning

