



Business Finance
Business Finance
[Core Course]

Semester: III	Credits: 4	Subject Code: MCM32001	Lectures: 48
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Course Outcomes:

At the end of this course, the learner will be able to:

- Appreciate the significance of finance and financial planning in business to achieve a balanced capitalisation
- Evaluate the significance of investment decisions of a business with the aid of different techniques of Capital Budgeting
- Appraise the distinct sources of long-term financing of a business essential for achieving an ideal Capital Structure
- Analyse the impact of short-term sources of financing of a business on its liquidity and profitability positions
- Recognise the evolving trends in business finance and their significance in terms of industrial and economic development

Unit 1: Strategic Financial Planning for Business	14
• Business Finance ○ Meaning and nature ○ Scope and importance • Financial Planning ○ Meaning and importance ○ Steps in Financial Planning ○ Principles of Financial Planning ○ Limitations of Financial Planning • Capitalisation ○ Meaning and definition ○ Types – Over Capitalisation and Under Capitalisation • Capital Structure ○ Meaning and definition ○ Principles of Capital Structure Management ○ Factors affecting Capital Structure • Capital Budgeting ○ Meaning ○ Time Value of Money • Techniques - Payback Period Method, Average Rate of Return Method, Net Present Value Method and Internal Rate of Return Method	

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Unit 2: Corporate Sources of Finance: Medium and Long Term	14
• Ownership Securities ○ Equity Shares: Characteristics, advantages and disadvantages ○ Preference Shares: Characteristics, types, advantages and disadvantages ○ Retained Earnings: Characteristics, advantages and disadvantages • Creditorship Securities ○ Debentures and Bonds: Characteristics, types, advantages and disadvantages ○ Public Deposits: Characteristics, advantages and disadvantages ○ Long Term Loans: Characteristics, advantages and disadvantages ○ Lease Financing: Characteristics, advantages and disadvantages	

Unit 3: Corporate Sources of Finance: Short Term	10
• Meaning and Need for Short Term Finance • Sources of Short Term Finance ○ Trade Creditors ○ Bank Credit – Unsecured (Cash Credit and Overdraft) ○ Bank Credit – Secured (Bill Discounting and Factoring) ○ Commercial Paper • Advantages and Disadvantages of sources of Short Term Finance	

Unit 4: Trends in Business Finance	10
• Venture Capital Financing ○ Meaning and Definition ○ Features ○ Functions ○ Advantages • Private Equity Funds ○ Meaning and Definition ○ Features ○ Functions ○ Advantages • Distinction between Venture Capital Financing and Private Equity • Mezzanine Financing ○ Meaning and Definition ○ Features ○ Functions ○ Advantages • Angel Financing ○ Meaning and definition	

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- Features
- Functions
- Advantages
- Case Studies

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.

Recommended Reference Books:

- Bhole, L. M. *Financial Institutions and Markets*. McGraw Hill: Delhi; 2009.
- Bhole, L. M. and Jitendra Mahakud. *Financial Institutions and Markets: Structure, Growth and Innovations*. McGraw-Hill Education: New Delhi; 2017.
- Chandra Prasanna. *Financial Management – Theory and Practice*. Tata McGraw Hill Publishing Company Ltd.: New Delhi; 2017.
- Chandra Prasanna. *Financial Management*. McGraw-Hill Education: Noida; 2019.
- Dr. Kohok, M. A., Dr. Mishra, S.K. and Bhivpathaki, D.P. *Advanced Financial Management*. Everest Publishing House: Pune; 2004.
- Gupta, C.B. and Maheshwari. *Financial Management and Corporate Planning and Policy*. Sultan Chand and Sons: Delhi; 2019.
- Inamdar Satish, M. *Principles of Financial Management*. Everest Publishing House: Pune; 2011. Khan and Jain. *Financial Management*. Tata Mc Graw Hill Publishing: New Delhi; 2007.
- Maheshwari, S. N. *Financial Management*. Sultan Chand and Sons: New Delhi; 2013.
- Periasamy, P. *Financial Management*. Vijay Nicole Imprints Pvt. Ltd.: Chennai; 2010.

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Faculty	Dr. Mrs. Dimple Buche	Dimple Buche 15/06/2020
Faculty	Mrs. Deepanjali Mazumder	Deepa 15/06/2020
Subject Expert (Outside SPPU)	Dr. Smita Deshpande	Smita 15/06/2020
Subject Expert (Outside SPPU)	Ms. Soma Kulshrestha	Soma 15/06/2020
VC Nominee	Dr. Yashodhan Mithare	Yashodhan 15/06/2020
Industry Expert	CA Akshay Oke	Akshay 15/06/2020
Alumni	Mrs. Pratishtha Sharma	Pratishtha 15/06/2020

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