

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

<b>Semester III</b>	<b>Subject Code: MCM 31601</b>	<b>Lectures: 60</b>
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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

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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](http://www.bseindia.com)
3. <http://www.nseindia.com>