

DHANALAKSHMI SRINIVASAN ENGINEERING COLLEGE**PERAMBALUR-621212****COURSE PLAN**

Name of the Faculty	Mr.B.Baskar			
Designation/Department	ASSISTANT PROFESSOR/MBA			
Course Code/Name	BA5009/ CORPORATE FINANCE			
Year/Section/Department	II/-/MBA			
Credits Details	L: 3	T: 0	P: 0	C: 3
Total Contact Hours Required	45			

Syllabus:

UNIT I/ INDUSTRIAL FINANCE	No. of Periods - 9
Indian Capital Market – Basic problem of Industrial Finance in India. Equity – Debenture financing – Guidelines from SEBI, advantages and disadvantages and cost of various sources of Finance - Finance from international sources, financing of exports – role of EXIM bank and commercial banks.– Finance for rehabilitation of sick units.	
UNIT II/ SHORT TERM-WORKING CAPITAL FINANCE	No. of Periods - 6
Estimating working capital requirements – Approach adopted by Commercial banks, Commercial paper- Public deposits and inter corporate investments.	
UNIT III/ ADVANCED FINANCIAL MANAGEMENT	No. of Periods -12
Appraisal of Risky Investments - certainty equivalent of cash flows and risk adjusted discount rate - risk analysis in the context of DCF methods using Probability information - nature of cash flows - Sensitivity analysis - Simulation and investment decision, Decision tree approach in investment decisions.	
UNIT IV/ FINANCING DECISION	No. of Periods -10
Simulation and financing decision - cash inadequacy and cash insolvency - determining the probability of cash insolvency- Financing decision in the Context of option pricing model and agency costs- Inter-dependence of investment- financing and Dividend decisions.	
UNIT V/ CORPORATE GOVERNANCE	No. of Periods - 8
Corporate Governance - SEBI Guidelines- Corporate Disasters and Ethics-Corporate Social Responsibility- Stakeholders and Ethics- Ethics, Managers and Professionalism.	

Objective:

- ❖ To expose the students to the basic concepts of Corporate Finance
- ❖ To understand the Commercial banks.
- ❖ Nuances involved in short term corporate financing
- ❖ Good ethical practices

Reference Book:

- R1.** Richard A.Brealey, Stewart C.Myers and Mohanthy, Principles of Corporate Finance, Tata McGraw Hill, 9th Edition, 2011
- R2.** I.M.Pandey, Financial Management, Vikas Publishing House Pvt., Ltd., 12th Edition, 2012.
- R3.** HR Madiraju, India Financial System, Vikas Publication, 3rd Edition, 2007.
- R4.** Aswath Damodaran, Corporate Finance Theory and Practice ,Wiley Edition, 3rd 2008.
- R5.** Krishnamurthy and Viswanathan, Advanced Corporate Finance, PHI Learning, 2011.

Website of SEBI

Website:

- W1:** <http://www.yourarticlelibrary.com/india-2/industrial-finance/industrial-finance-in-india-drawbacks-and-its-remedies/62954> (**Topic. No: 02**)
- W2:** [https://en.wikipedia.org/wiki/Equity_\(finance\)](https://en.wikipedia.org/wiki/Equity_(finance)) (**Topic.No: 03**)
- W3:** <https://www.business-case-analysis.com/cost-of-capital.html> (**Topic. No: 06**)
- W4:** <https://gradestack.com/Class-11th-Commerce/Sources-of-Business/International-Financing/17625-3452-28661-study-wtw> (**Topic.No:07**)
- W5:** <https://business.mapsofindia.com/fdi-india/approvals/exim-bank-foreign-investment.html> (**Topic.no:08**)
- W6:** <https://economictimes.indiatimes.com/news/economy/policy/rbi-announces-new-guidelines-for-rehabilitation-of-sick-mse/articleshow/17052800.cms> (**Topic.No:09**)
- W7:** https://archive.india.gov.in/business/growing_business/public_deposits.php (**Topic.No:13**)
- W8:** <https://www.investopedia.com/terms/i/intercorporate-investment.asp> (**Topic.No:14**)
- W9:** <https://www.edupristine.com/blog/all-about-sensitivity-analysis> (**Topic.No:20**)
- W10:** <http://www.awbrisbanelawyers.com.au/determining-solvency-of-company-cash-flow-assessment-wound-up-in-insolvency-corporations-act.html> (**Topic.No:26**)
- W11:** <http://dergiler.ankara.edu.tr/dergiler/42/468/5386.pdf> (**Topic.No:27**)
- W12:** <http://www.ekonomika.org.rs/en/PDF/ekonomika/2016/clanci16-2/4.pdf> (**Topic.No: 29**)
- W13:** https://en.wikipedia.org/wiki/Corporate_governance (**Topic.No:31**)
- W14:** http://www.nbcnews.com/id/37734909/ns/business-us_business/t/infamous-business-disasters/ (**Topic.No.:33**)
- W15:** https://en.wikipedia.org/wiki/Corporate_social_responsibility (**Topic.No.:34&36**)
- W16:** <https://en.wikipedia.org/wiki/Stakeholder> (**Topic.No.:35**)
- W17:** <https://www.alnmag.com/article/2010/02/managerial-professionalism> (**Topic.No.:37**)

Course Plan:

Topic Number	Topic	Reference Detail	Page Number	Mode of teaching	Number of Periods Required	Cumulative Period
UNIT I						
1	Indian Capital Market	R3	4-5	BB	1	1
2	Basic problem of Industrial Finance in India	W1	Web	BB	1	2
3	Equity	W2	Web	BB	1	3
4	Debenture financing	R1	701-710	BB	1	4
5	Guidelines from SEBI, advantages and disadvantages	R3,R5	126-127, 25-36	BB	1	5
6	cost of various sources of Finance	W3	Web	BB	1	6

7	Finance from international sources	W4	Web	BB	1	7
8	financing of exports, Role of EXIM bank and commercial banks	W5	Web	BB	1	8
9	Finance for rehabilitation of sick units	W6	Web	BB	1	9
Outcome of Unit I:						
CO1: Understand basic of Industrial Finance and the SEBI- advantages and disadvantages						
UNIT II						
10	Estimating working capital requirements	R1	152-185	BB	2	11
11	Approach adopted by Commercial banks	R3	36-40	BB	1	12
12	Commercial paper	R3	37	BB	1	13
13	Public deposits	W7	Web	BB	1	14
14	Inter corporate investments	W8	Web	BB	1	15
Outcome of Unit II:						
CO2: Understand the Estimating working capital requirements						
UNIT III						
15	Appraisal of Risky Investments	R1	156-219	BB	2	17
16	certainty equivalent of cash flows	R2	489-500	BB	1	18
17	risk adjusted discount rate	R2	704-713	BB	2	20
18	risk analysis in the context of DCF methods using Probability information	R2	243-250	BB	2	22
19	nature of cash flows	R2	500	BB	1	23
20	Sensitivity analysis	W9	Web	BB	1	24
21	Simulation and investment decision	R4	287-289	BB	2	26
22	Decision tree approach in investment decisions	R2	218-221	BB	1	27
Outcome of Unit III:						
CO3: Understand the Risky Investments and investment decision						
UNIT IV						
23	Simulation and	R4	285-286	BB	1	28

	financing decision					
24	cash inadequacy	R2	640-641	BB	1	29
25	cash insolvency	R2	641-642	BB	1	30
26	determining the probability of cash insolvency	W10	Web	BB	2	32
27	Financing decision in the Context of option pricing model	W11	Web	BB	2	34
28	agency costs	R3	25-29	BB	1	35
29	Inter-dependence of investment	W12	Web	BB	1	36
30	financing and Dividend decisions.	R2	230-239	BB	1	37

Outcome of Unit IV:

CO4: Understand the importance of Financial decision and Context of option pricing model.

UNIT V

31	Corporate Governance	W13	Web	SEM	1	38
32	SEBI Guidelines	R3,R5	126, 50-55	BB	1	39
33	Corporate Disasters	W14	Web	BB	1	40
34	Ethics-Corporate Social Responsibility	W15	Web	PPT	2	42
35	Stakeholders	W16	Web	BB	1	43
36	Ethics	W15	Web	BB	1	44
37	Managers and Professionalism	W17	Web	BB	1	45

Outcome of Unit V:

CO5: Understand the Corporate Social Responsibility, ethics ,Manager and Professionalism

Course Outcome:

At the end of course:

Students should be able to do:

CO1: Understand basic of Industrial Finance and the SEBI- advantages and disadvantages

CO2: Understand the Estimating working capital requirements

CO3: Understand the Risky Investments and investment decision

CO4: Understand the importance of Financial decision and Context of option pricing model.

CO5: Understand the Corporate Social Responsibility, ethics ,Manager and Professionalism

Course Outcome Vs Program Outcome Mapping:

CO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
CO 1	✓	✓							✓
CO 2		✓		✓	✓	✓			
CO 3		✓			✓	✓			
CO 4			✓		✓		✓		
CO 5	✓							✓	✓

Content beyond syllabus:

- ❖ Indian financial system especially investment option.
- ❖ The securities risk and return using fundamental analysis.

Assignment:

Assig. Number	Batch Details	Register Number	Total Number	Mode of Assignment MCQ/Seminar/ PPT	Topics
I	Batch 1	1 to 8	8	MCQ	1. Explain the Function of Indian Capital Market 2. Guidelines from SEBI 3. Discuss the different methods of working capital financing
	Batch 2	9- 16	8	Seminar	1. Discuss the basic problems of Industrial finance in India 2. Discuss the role of Commercial bank as financial intermediaries. 3. Discuss the inter corporate investments
	Batch 3	17-23	7	PPT	1. Explain the role of EXIM Bank Financing of exports 2. What are the methods of forecasting working capital? 3. Discuss the role of Commercial bank in lending working capital finance.
II	Batch 1	1 to 8	8	PPT	1. Explain the nature of business risk, interest rate risk and market risk 2. Explain the factors that determine the option pricing. 3. Discuss the factors which influence the dividend decision of a firm
	Batch 2	9- 16	8	MCQ	1. Explain the advantages of Decision tree approach in investment decisions 2. Discuss the factors which influence the dividend policy of a firm 3. Discuss the factors that affect option price.
	Batch 3	17-23	7	Seminar	1. Explain the Methods of DCF 2. Discuss the various option pricing models. 3. What are the factors that determine the dividend policy of a company?
III	Batch 1	1 to 8	8	Seminar	1. What are the key SEBI guideline on employee stock option scheme? 2. Explain Ethics-Corporate Social Responsibility 3. Explain the Managers and professionalism
	Batch 2	9- 16	8	PPT	1. Describe the salient feature of corporate governance in an Indian public sector. 2. Explain the Corporate ethics

					3. What are the factors affecting business ethics? Explain
	Batch 3	17-23	7	MCQ	1. Explain Principles of Corporate Governance .. 2. Describe stakeholder theory 3. List the causes of Business Disaster

SIM Questions:

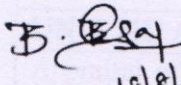
SIM 1	<p>1.Explain the Characteristics of investment Elucidate if these will be a trade. Off between risk and return in investment. (JAN-2011)</p> <p>2.Discuss the various choices of investment alternative available for an investor with Moderate risk taking capabilities. (JAN-2011)</p> <p>3.Without adequate information the investor cannot carry out his Investment program Elucidate. (JAN-2012)</p> <p>4.Explain the Portfolio return and portfolio risks. (JAN-2012)</p> <p>5.Explain the different investment avenues available for investors. (JAN-2013)</p> <p>6.Discuss the major indices and how it helps investors. (JAN-2013)</p> <p>7.Discuss the various ways in which an initial public offer can be made. (JAN-2011)</p> <p>8.Discuss the changes in the Trading system of stock exchanges brought forth SEBI in the recent years. (JAN-2011)</p> <p>9.Elaborate the different stock valuation models. (JAN-2012)</p> <p>10.What are the Stocks taken has SEBI to Protect the investors in the Secondary Market. (JAN-2012)</p> <p>11.What are the SEBI guidelines on pricing of a security? Explain. (JAN-2013)</p> <p>12.Discuss the Major reforms in the Indian capital Market. (JAN-2013)</p>																
SIM 2	<p>1.Discuss the key tools used in Company analysis. (JAN-2011)</p> <p>2.Consider an Industry of your choice and make an Industry analysis explaining the various steps involved. (JAN-2011)</p> <p>3.Distinguish between technical analysis and fundamental analysis. (JAN-2012)</p> <p>4.Present a detailed account on the Markowitz's risk diversification.(JAN-2012)</p> <p>5.Describe 2 commonly used ways of decomposing ROC into its underlying determinant. (JAN-2013)</p> <p>6.What are the ratios Calculated by investor before Making Investments? Explain. (JAN-2013)</p> <p>7.What are the premises of technical analysis? What are the differences between Technical and fundamental analysis? (JAN-2011)</p> <p>8.Explain how charts are used to interpret Performance of stocks in Technical Analysis. (JAN-2011)</p> <p>9.Moving average not only smoothen the data, but also predict the market, Discuss. (JAN-2012)</p> <p>10.Distinguish between CAPM and APT. (JAN-2012)</p> <p>11.How would you use ROC to Predict the Stock Price Movement? Elucidate. (JAN-2013)</p> <p>12.“Chart patterns are helpful in predicting the stock price Movement” Comment. (JAN-2013)</p>																
SIM 3	<p>1.Give the basic assumption of CAPM. How can Securities be evaluated with the help of the CAPM theory. (JAN-2011)</p> <p>2.Discuss briefly the steps involved in the portfolio management process. (JAN-2011)</p> <p>3.Explain steps in portfolio constructions as per traditional approaches. (JAN-2012)</p> <p>4.Mr. X has been owning units in 3 different multi funds namely R, S, & T. The following particulars are available he wants to dispose any one of the multi fund for his personal expenditure. Which fund should he dispose? (JAN-2012)</p> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th>Date</th> <th>Funds</th> <th>Excess Average Return</th> <th>Bal</th> </tr> </thead> <tbody> <tr> <td></td> <td>R</td> <td>7.7</td> <td>1.02</td> </tr> <tr> <td></td> <td>S</td> <td>11.3</td> <td>0.99</td> </tr> <tr> <td></td> <td>T</td> <td>11.6</td> <td>1.07</td> </tr> </tbody> </table>	Date	Funds	Excess Average Return	Bal		R	7.7	1.02		S	11.3	0.99		T	11.6	1.07
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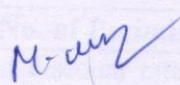
		Market	7.8	1.00
<p>5.Explain different Stages involved in Portfolio Management. (JAN-2013) 6.Difference between CML and SML. (JAN-2013) 7.What is Markowet2 Model? State its assumptions, Explain the Selection of optimum Portfolio. (JAN-2014) 8.What do you mean by mutual fund? Explain its structure and advantages. (JAN-2014) 9.Calculate 'shape' and 'Trey nor' rations for Hypothetical funds. (JAN-2015) 10.Different Measures of Portfolio Performance. (JAN-2015) 11.Explain the Concept of Moving average analysis. Describe the types of Moving Average. (JAN-2015) 12.Explain the forms of Efficient Market theory and their Empirical tests. (JAN-2015)</p>				

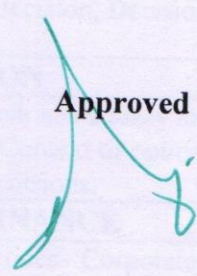
Submission Details:

Phase 1(Before AT 1)		Phase 2 (Before AT 2)		Phase 3 (Before AT 3)	
Assignment 1	SIM 1	Assignment 2	SIM 2	Assignment 3	SIM 3
26.08.2020	04.09.2020	18.09.2020	05.10.2020	17.10.2020	26.10.2020

Google Class Code Details: rnvwker

Prepared By

 18/8/2020
(B.Baskar-AP)

Verified By

(HOD-MBA)

Approved By

(Principal)