

SARDAR PATEL UNIVERSITY
Programme: BCOM
Semester: VI
Syllabus with effect from: DECEMBER 2013

Course Code: UB06CCOM01	Total Credits: 3
Course Title: Corporate Finance	

Unit	Description in detail	Weightage (%)
1	Cost of Capital: Concept of cost of Capital, Significance, Classification of cost, Cost of Equity Capital, Cost of Preference Capital, Cost of Debt Capital, Examples of WACC.	25 %
2	Working Capital Management: Concepts: <ul style="list-style-type: none"> • Gross Working Capital. • Net Working Capital. • Fixed/ Permanent Working Capital • Fluctuating Working Capital Needs for Working Capital, Sources of Working Capital Finance. Factors determining working capital requirement. Examples of estimation of working capital and operating cycle.	25 %
3	Management of Cash, Receivables, Inventory: Motives for Holding Cash, Cash Budgeting examples, Credit Policy variables, Credit Evaluation, Types of Inventory, Computation of EOQ, Maximum level, Minimum Level, Recorder point and safety stock, ABC Analysis.	25 %
4	Capital Structure and Leverage: Capital Structure: Meaning, Features, Optimum capital structure, factors, Examples on EPS. Leverage: Meaning, Importance of Capital Gearing / Leverage- Types of Leverage (Theory & Examples) – Operating Leverage, Financial Leverage, Composite / Total Leverage (Examples Based on Preparation of Income Statement be taught) Effects / Implications of Leverages, Trading on Equity – Merits and Limitations	25 %

Basic Text & Reference Books:

- Financial Management: P.V.Kulkarni.
- Financial Management: S.N.Maheshwari.
- Financial Management: I.M.Pandey.
- Financial Management: Prasanna Chandra.
- Financial Management: Khan & Jain
- Financial Management: R.S.Kulshreshta.

