

# BITS PILANI, DUBAI CAMPUS

## INSTRUCTION DIVISION

### First Semester 2015 – 2016

#### Course Handout (Part – II)

**Date:** 01.09.2015

*In addition to Part I (General Handout for all courses appended to the Time Table) this portion further specific details regarding the course.*

**Course No.** : MBA C416 (4)  
**Course Title** : Corporate Finance & Taxation  
**Course Instructors** : Prof. Sundara Rajan & Pushkala M  
**Instructor-in-charge** : Pushkala M

#### **Scope and Objective of the Course:**

This course aims at introducing students to the fundamentals of Corporate Finance concepts, theories, and the process of financial decision making. Through this course, students gain an introduction to the concepts of time value of money, risk and rates of return, cost of capital, financial planning, capital investment decisions, capital management, capital structure and rewarding policy (shareholders). It also provides an exposure to corporate taxation aspects. The structure of the course will enable students to appreciate the integration between financial markets, business environment and the role of finance manager in maximizing firm's and shareholders' value.

#### **Course Pre/Co- requisite (if any) & Catalogue / Bulletin Description:**

*Given in the Bulletin 2014 – 2015*

#### **Text book [TB]:**

Brigham Eugene F and Houston Joel F., Fundamentals of Financial Management, 12/e, Thomson South-Western, 2012

#### **Reference book(s) [RB]:**

- i. Prasana Chandra, Financial Management: Theory and Practice, 6/e, 2005, Tata McGraw Hill.
- ii. Eugene F. Brigham and Louis C. Gapenski, Financial Management: Theory and Practice, 6/e, 1991, The Dryden Press.
- iii. Lawrence J. Gitman, Principles of Managerial Finance, 6/e, 1991, Harper Collins Publishers.
- iv. J.F. Weston and T.E. Copeland, Managerial Finance, 2/e, 1990, Cassell Publisher.
- v. Anthony G. Puxty and J. Colin Dodds, Edited by Richard M.S. Wilson, Financial Management: Method and Meaning, 2/e, 1991, Chapman & Hall.
- vi. I.M. Pandey, Financial Management, 9/e, 2005, Vikas Publishing House, Pvt. Ltd.
- vii. Elton Gruber, John Wiley & Sons, Modern Portfolio: Theory and Investment Analysis, 4/e, 1991, Wiley Inc.
- viii. Arthur J. Keown, John D. Martin, J. William Petty, David F. Scott, Jr.. Financial Management, 9/e. (2002) Prentice Hall.
- ix. Rao Ramesh K.S., University of Texas at Austin, Financial Management - Concepts and Applications, 2/e, Macmillan Publishing Company, New York, Maxwell Macmillan Canada, Inc. Toronto and Maxwell Macmillan International, 1992.
- x. Damodaran Aswath, Corporate Finance: Theory and Practice, 2/e, John Wiley & Sons, Inc.2001.

#### **Course Plan / Schedule:**

Lec.No.	Learning Objectives	Contents	References@ (Chapters)
1-4	What is financial management all about? Interface between goal of the firm, responsibility of finance manager and financial system	An overview of financial management	Ch 1
5-8	Understanding types of financial markets	Financial environment	Ch.2
9-12	Understanding compounding and discounting and to determine future and present value of a sum and annuity	Time value of money	Ch.5
13-15	Understanding relationship between risk and rates of return, types of risk	Risk and rate of return	Ch.8

16-19	Application of cost of capital in business decisions	Cost of capital	Ch.10
20-23	Understanding different types and importance of capital expenditure decisions on business sustainability	Capital budgeting	Ch.11
24-27	Analyzing factors that affect capital structure decisions and types of leverage	Capital structure and leverage	Ch.14
28-31	Understanding Dividend vs. capital gains, Dividend policy issues, Stock dividends, stock splits, Stock repurchases	Distributions to shareholders: dividends and share repurchases	Ch.15
32-35	Understanding objectives of working capital management, Cash management techniques, Current asset financing policies and sources of short term financing	Working capital management – managing and financing current assets	Ch.16
36-38	Understanding financial planning and forecasting	Budgeting and forecasted financial statements	Ch.17 & class notes
39-42	Understanding Corporate taxation and management	Corporate taxation	Class notes

**Evaluation scheme:**

EC No	Evaluation Components	Nature of Component	Duration	Weightage %	Date & Time	Venue
1	Test-1	Closed Book	50 min	20	2/10/2015 (Fri)	To be announced later
2	Quiz-1	Closed book	20 min	10	TBA	
3	Test - 2	Open book*	50 min	20	13/11/2015 (Fri)	
4	Quiz – 2 / Assignment	Closed book	20 min	10	TBA	
5	Compre Exam	Closed Book	3 hours	40	10/1/2016 (Sun)	

\* Only prescribed text book(s) and hand written notes are permitted

**General Instructions, Attendance & Make-up Policies, etc:**

*Please refer the Time Table*

**Timings for chamber consultation:**

Students should contact the Course Instructor in his / her chamber during the CCH for consultation. CCH hour will be on Tuesday, 6 – 7 p.m.

**Notices:**

All notices will be displayed on the notice board for MBA/ ME/ MSc Tech. programs.

**Pushkala M.  
Instructor-in-charge**

<p><b><u>Instructors' Contact Details:</u></b> Pushkala M, Senior Lecturer – Management, Chamber No: 217, Contact No: +9714 4200700 ext.309, Email: <a href="mailto:pushkala@dubai.bits-pilani.ac.in">pushkala@dubai.bits-pilani.ac.in</a> Mobile No: 050 6562687</p>
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