**B.COM**

**SEMESTER III**

**Business Finance (CC 9)**

**(100 Marks, 60 Lectures)**

**UNIT I: Nature and Objectives of Business Finance (25 Marks 15 Lectures)**

Meaning of business finance, business finance v/s corporate finance, role of business finance in an organization, principles of business finance, meaning of financial planning, steps in financial planning, significance of financial planning, essential features of a good financial plan, types of financial plan.

**UNIT II: Classification of Capital** **(25 Marks-15 Lectures)**

Meaning of Capital, Classification of capital, factors determining capital requirements, meaning, features and sources of fixed capital, factors determining fixed capital requirements, importance of adequate fixed capital; meaning, features and sources of working capital, Factors determining working capital requirements, significance of adequate Working capital, types of working capital

**UNIT III: Capitalisation (25 Marks-15 Lectures)**

Meaning of capitalization, Theories of capitalization, Cost theory v/s Earnings theory, overcapitalization and under capitalization, meaning, causes, effects and remedies; overcapitalization v/s under capitalization; balanced capitalization, meaning and importance

**UNIT IV:** **Capital Structure (25 Marks–15 Lectures)**

Concept of capital structure, Meaning and importance of capital structure, factors

affecting capital structure, concept of financial structure, capital gearing, meaning, types and advantages, trading on equity, meaning, types and advantages and limitations.

**References:**

**Books**

1. Sharma, R.K. & Gupta, Shashi., K. *Business Organisation and Management*
2. Srivastava, R.M. *Essentials of Business Finance*, Himalaya Publishing House, Kalyani Publications.
3. Singh, Preeti. Investment Management. Himalaya Publishing House
4. Kale, N.G. *Business Organisation.* Manisha Publications.
5. Sontakki C.N., *Business Organisation*, Seth Publishers
6. Gordon, E. & Natarajan, K. Financial Markets and Institutions, Himalaya Publishing House.
7. Sadak, H. *Mutual Funds in India*, Response Books, Sage Publications.