

Cluster University Srinagar

Graduation Programme in Finance (Commerce)

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| Introduction to Finance Semester– I | Course Code: UGCOM22D101 Nature of Course : <u>Multi-disciplinary</u> |
| Credits : 3 | |

Course Description:

This course describes three basic forms of business organisation and the sources of finance to these business entities. Besides, it introduces the students to the subject matter of investments with a focus on different investment alternatives available to the investors in India.

Course Objectives:

- To introduce the students to different forms of business organisations.
- To develop a comprehensive understanding of the different sources of finance available to business firms.
- To explain the significance of different financial statements and how these are prepared.
- To educate about the whole of spectrum of investment alternatives.

Learning Outcomes

After going through this course, the students are expected to:

- Have a fair understanding of different forms of business originations.
- Have a good understanding of various types and sources of finance.
- Have a fair understanding of fundamentals of investment.

Curriculum Details

Unit I:

Forms of Business Organisations, special features of Sole Proprietorship, Partnership firms and Joint Stock Companies. Public Limited Companies; Private Limited Companies; Public Sector Undertakings. Public Finance and Private Finance, Finance Function; Sources of Business Finance; Term Loans and Cash Credit Limit.

Unit II:

Long Term Finance: Shares, Preference Shares, Features and types of Preference shares; Equity Shares: Features and Types of Equity Shares. Debentures: Features and Types of Debentures.

Unit III:

Investment Alternatives: Investment, Speculation & Gambling; Investment Alternatives; Criteria for evaluating an Investment Avenue.

Suggested Readings:

- M. Y. Khan, Indian Financial System, Tata McGraw Hill New Delhi.
- Arthur J. Keown, John. D. Martin, J. William Petty, Foundations of Finance, Pearson, New York.
- Pamela, P. Drake & Frank, J. Fabozzi, The Basics of Finance: An Introduction to Financial Markets, Business Finance, & Portfolio Management, John Wiley & Sons, New Jersey.
- Jonathan, Berk & Peter Demarzo. Corporate Finance, Pearson, New York.

Note: Latest edition of text books may be used