



**MOHANLAL SUKHADIA UNIVERSITY, UDAIPUR**

**FACULTY OF LAW**

**FOURTH SEMESTER MASTER OF LAWS**

**(BUSINESS LAW BRANCH)**

PAPER – III (PAPER CODE -52903) (PAPER NAME – CORPORATE FINANCE)

**Max. Marks: 100 (80 External + 20 Internal)**

**Min. Marks: 40**

**Unit I : Introduction :**

- a. Meaning, importance and scope of corporate finance,
- b. Capital needs-capitalization-working capital-securities borrowings
- c. deposits debentures,
- d. Objectives of corporate finance-profit maximization and wealth maximization,
- e. Constitutional perspectives-the entries 37, 38, 43, 44, 45, 46, 47, 52, 82, 85 and 86 of List I-Union List; entry 24 of List 1 I-State List,
- f. Equity Finance: Share Capital,
- g. Prospectus - information disclosure,
- h. Issue and allotment of Shares, Shares without monetary consideration, Non-opting equity shares,
- i. Debt Finance : Debenture, Nature, issue and class, Deposits and acceptance, Creation of charges, Fixed and floating charges Mortgages, Convertible debentures

**Unit II : Conservation of Corporate Finance :**

- a. Regulation by Disclosure,
- b. Control on payment of dividends,
- c. Managerial remuneration,
- d. Payment of commissions and brokerage,
- e. Inter-corporate loans and investments.
- f. Pay-back of shares,
- g. Other corporate spending,
- h. Protection of Creditors: Need for creditor protection, Preference in Payment, Rights in making company decision affecting creditor interests, Creditor Self- Protection, Incorporation of favourable terms in lending contracts, Right to nominate directors, Control over corporate spending

**Unit III : Protection of Investors :**

- a. Individual share holder right,
- b. Corporate membership right,
- c. Derivative actions,
- d. Qualified membership right,
- e. Conversion,
- f. consolidation and re-organization of shares,
- g. Transfer and transmission of securities,
- h. Dematerialization of securities.

**Unit IV : Corporate Fund Raising :**

- a. Depositories – IDR (Indian Depository Receipts), ADR (American Depository Receipts), GDR (Global Depository Receipts),
- b. Public financing institutions-IDBI, ICICI, IFC and SFC,
- c. Mutual Fund and other collective investment schemes,
- d. Institutional investment-LIC, UTI and banks,
- e. FDI and NRI investment - Foreign institutional investment (IMF and World bank),
- f. Administrative Regulation on Corporate Finance : Inspection of accounts, SEBI, Central Government control, Control by registrar of companies, RBI control

## SELECT BIBLIOGRAPHY:

- Alastair Hundson : The Law on Financial Derivatives (1998), Sweet & Maxwell
- Eil's Ferran : Company Law and Corporate Finance (1999), Oxford
- Ramaiya A : Guide to the Companies Act (1998), Vol. I, IT and III
- H. A.J. Ford and A.P. Austen : Ford's principle of Corporations Law (1999), Butterworths
- J.H. Farrar and B.M. Hanniyan : Farrar's Company Law (1998), Butterworths
- Austen R.P. : The Law of Public Company Finance (1986), LBC
- R.M. Goode : Legal Problems of Credit and Security (1988), Sweet and Maxwell
- Altman and Subrahmanyam : Recent Advances in Corporate Finance (1985), LBC
- Henry E. Hogland : Corporation Finance (1947)
- Maryin M. Kristein : Corporation Finance (1975)
- R.C. Osborn : Corporation Finance (1959)
- S.C. Kuchhal : Corporation Finance: Principles and Problems (6<sup>th</sup> ed. 1966)
- V.G. Kulkarni : Corporate Finance: ( 1961)
- Y.D. Kulsheshta : Government Regulation of Financial Management of Private Corporate Sector in India (1986)