



MOHANLAL SUKHADIA UNIVERSITY, UDAIPUR

FACULTY OF LAW

FOURTH SEMESTER MASTER OF LAWS

(Session 2018-19)

(BUSINESS LAW BRANCH)

PAPER – III (Paper Code 52903) (PAPER NAME – CORPORATE FINANCE)

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

Min. Marks: 40

Unit 1 : Introduction :

- i) Meaning, importance and scope of corporate finance,
- ii) Capital needs-capitalization-working capital-securities borrowings
- iii) deposits debentures,
- iv) Objectives of corporate finance-profit maximization and wealth maximization,
- v) Constitutional perspectives-the entires 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,
- vi) Equity Finance: Share Capital,
- vii) Prospectus - information disclosure,
- viii) Issue and allotment of Shares, Shares without monetary consideration, Non-opting equity shares,
- ix) Debt Finance : Debenture, Nature, issue and class, Deposits and acceptance, Creation of charges, Fixed and floating charges Mortgages, Convertible debentures

Unit 2 : Conservation of Corporate Finance :

- i) Regulation by Disclosure,
- ii) Control on payment of dividends,
- iii) Managerial remuneration,
- iv) Payment of commissions and brokerage,
- v) Inter-corporate loans and investments.
- vi) Pay-back of shares,
- vii) Other corporate spending,
- viii) 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 3 : Protection of Investors :

- i) Individual share holder right,
- ii) Corporate membership right,
- iii) Derivative actions,
- iv) Qualified membership right,
- v) Conversion,
- vi) consolidation and re-organization of shares,
- vii) Transfer and transmission of securities,
- viii) Dematerialization of securities.

Unit 4 : Corporate Fund Raising :

- i) Depositories – IDR (Indian Depository Receipts), ADR (American Depository Receipts), GDR (Global Depository Receipts),
- ii) Public financing institutions-IDBI, ICICI, IFC and SFC,

- iii) Mutual Fund and other collective investment schemes,
- iv) Institutional investment-LIC, UTI and banks,
- v) FDI and NRI investment - Foreign institutional investment (IMF and World bank),
- vi) Administrative Regulation on Corporate Finance : Inspection of accounts, SEBI, Central Government control, Control by registrar of companies, RBI control

SELECT BIBLIOGRAPHY:

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- Eil's Ferran : Company Law and Corporate Finance (1999), Oxford Jonathan Charkham : Fair Shares : The Future of Shareholder Power and Responsibility (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 Maxewli
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- Gilbert Harold Corporation Finance (1956)
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- V.G. Kulkarni : Corporate Finance : (1961)
- Y.D. Kulsheshta : Government Regulation of Financial Management of Private Corporate Sector in India (1986)