

B.Com. (Hons.): Semester-V
DSE

BCM533: INVESTMENT BANKING AND VENTURE CAPITAL

Teaching Scheme	Examination Scheme
Lectures: 4hrs/Week	Class Test –12Marks
Tutorials: 1 hr/Week	Teachers Assessment – 6Marks
	Attendance – 12 Marks
Credits: 5	End Semester Exam –70 Marks

Course Objective

Course is aimed at providing practical knowledge and understanding of the business of Investment Banking and Venture Capital to the students. The course emphasizes the practical various options available to launch a start up.

Learning Outcomes

- On completing the course, the student shall be able to:
- Understand how investment banks can help in achieving these goals
- Assess the value creation potential of various investment projects.
- Approximate the value of a firm from an income, market and cost perspective.
- Understand long-term financing via equity and debts and their related costs.
- Be familiar how capital structure choices influence the value of a firm.
- Understand special topics in Corporate Finance like Mergers & Acquisitions, corporate restructurings, LBOs and corporate governance.

Unit I: Introduction

Evolution of investment banking, Organizational structure of investment banks, Role of investment banking in financial markets, Economic value of investment banking for firms, Role of investment banks during the last financial crisis.

Unit II

Corporate finance basics (terminology), Corporate finance and value creation, Risk and return relationship in corporate finance, venture capital financing – concept and feature and need, structure and Regulatory framework of venture capital financing in India, Investment process and evaluation-conventional valuation method, the first Chicago method, Revenue multiplier method.

Unit III: Financial Market

Government Securities Market, Primary & Secondary market for G.-sec, Call money market: Money market, Treasury Bill Market, Commercial Paper and Certificate of Deposits, Discount and Finance House of India, Corporate Debt market Recent Developments.

Unit IV: Merchant Banking

Nature and scope of Merchant Banking - Regulation of Merchant Banking Activity -Overview of current Indian Merchant Banking Scene- Structure of Merchant Banking Industry - Primary Markets India and Abroad - Professional Ethics and Code of Conduct - Current Development, Procedural aspects of Primary Issues - Pre- Issues Decision Making - SEBI Guidelines for Public Issues, IPO - Pricing and Timing of Public Issues - Pre-Issue Management/ Regulatory aspects -Advertising and



st-Issue Management - Rights Issues.

Corporate Restructuring

rationale of corporate restructuring, Debt restructuring, expansion, tender offers, sell offs, estiture, M&A - legal aspects and accounting aspect.

Readings

- n, R. Principles of Banking Law. New Delhi: Oxford University Press.
- andani, B. S. Practice and Law of Banking. New Delhi: Macmillan Indian Limited.
- A. Laws of Banking & Negotiable Instruments. New Delhi: Eastern Book Company
- D. Theory of Banking: History, Law and Practice. New Delhi: Vista International
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