

**JYOTI NIVAS COLLEGE AUTONOMOUS  
SYLLABUS FOR 2019 BATCH AND THEREAFTER**

**Programme: M.Voc. (Banking and Finance)**

**Semester: III**

**PROJECT FINANCE**

**Course Code: 19MVB303**

**No. of Hours: 60**

**COURSE OBJECTIVES:**

- The goal of this course is to equip students with an overview of Project Finance by taking them through all stages of a Project Finance transaction, so that they can apply the techniques of Project Finance.
- The purpose of the course is to understand what project finance is, its necessary elements, why it is used, how it is used, its advantages and its disadvantages.
- The student will study the necessary elements critical to project financing to include product markets, technology, sponsors, operators, offtakers, environment, consultants, taxes and financial sources.

**LEARNING OUTCOMES:**

- Apply a structured and systematic approach to financing projects using some of the techniques of Project Finance.
- Recognize the key characteristics of a robust project and identify the weakest links in the transaction.
- Use qualitative and quantitative tools and measures to distinguish the key risks.
- Interpret each of the risks to determine their severity and potential impact on the transaction structure.

**UNIT I: PROJECT MANAGEMENT AND PLANNING**

**10 HRS**

Introduction\_ Project Management- Skill required by a project manager\_ The Project Cycle\_ Project planning, Identifying strategic project variables, Strategy in project management, Planning cycle, Project Feasibility analysis

**UNIT II: FINANCING OF PROJECTS**

**14 HRS**

Capital Structure – Menu of Financing – Equity capital - preference capital - internal accruals - Term loans – Debentures – Working Capital Advance – Miscellaneous Sources – Raising Venture capital - Raising capital in International Markets

**UNIT III: FINANCIAL ESTIMATE AND PROJECTIONS****16 HRS**

Cost of Project, Means of Finance, Estimation of sales and Productions, Cost of Production, Working capital requirement and its financing. Estimation of Fixed capital, Profitability Projections, Projected cash flow statement, projected balance sheet, Multi-year Projections.

**UNIT IV: RISK ANALYSIS****12 HRS**

Sources, Measures and Perspective of Risk – Single investment: Sensitivity Analysis, Scenario Analysis, Break Even Analysis, Decision Tree Analysis, Project Selection under risk and Risk analysis in Practice

**UNIT V: PROJECT FINANCING IN INDIA****8 HRS**

Means of Finance - Norms and Policies of Financial Institutions- SEBI Guidelines - Sample Financing Plans Structure of Financial Institutions in India - Schemes of Assistance - Term loans Procedures – Project appraisal by financial Institutions.

**PRACTICAL COMPONENTS:**

- Explain concepts and approach used in structuring and arranging project finance transactions for major infrastructure schemes in the India and overseas.
- Report on project risk analysis and risk management techniques.
- Describe a project appraisal methodology.
- Elaborate on the drivers, approaches and concerns of the key players involved in creating and financing major projects.

**BOOKS FOR REFERENCE:**

1. Prasana Chandra: Projects-Planning Analysis, Selection, Implementation & Review, Tata McGraw Hill, New Delhi.
2. Laura Brown and Tony Grundy : Strategic Project Management
3. M C. Choudhury : Project Management, Tata McGraw Hill, New Delhi – 1995.
4. P. Gopala Krishnan and V. Rama Moorthy : Project Management
5. Johan, M. Nicholas : Project Management for Business & Technology 2nd edition
6. Machiraju, HR (2009) Introduction to Project Finance, New Dewlhi, Vikas Publication
7. Vasant Desai (2008) Project Management, New Delhi, Himalaya Publishing House.