A Project Work on
"CAPITAL STRUCTURE ANALYSIS OF INFOSYS COMPANY LIMITED"

Submitted To

KARNATAK UNIVERSITY DHARWAD

In Partial Fulfillment of the Requirements for the Degree of
Master of Commerce

By:

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Certificate

This is to Certify that the Project work Titled **"A Project Work on Capital Structure Analysis of Infosys Company Limited"** is an original record of field works done by **Ms. Sandhya** with Registration No. **19C011051** in a partial fulfillment of the award of degree of **Master of Commerce** of the **Karnatak University, Dharwad** during **2020-21**. The project satisfies the academic requirements in respect of project work prescribed for the Degree of **Master of Commerce** and is a record of her own independent work.

This project is based on the studies carried out by her and has not been submitted to any other University or Institution for the award of any degree or diploma.

Project Guide

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1.1. INTRODUCTION

Capital structure is the combination of the capital raised by the company. This combination or mix influences the overall cost of capital. Normally capital structure will be the mix of equity and debt. The proportion of this equity and debt to the total capital is decided by the company according to the financial position and ability to raise such capital. The decision regarding the capital structure is very important because it affects the earnings per share or wealth of the shareholders. Capital structure is the crucial decision to be taken by every business, the positives and negatives of these decisions plays a important role in determining the future of every business. Many proven theories about capital structure help us to understand about the debt equity mix that the firms choose. These theories can be divided into two groups – either they predict the existence of the optimal debt-equity ratio for each firm or they declare that there is no well-defined target capital structure.

Capital structure decision is one of the key decisions to be undertaken by every company at the time of raising their capital. Poor decisions would result in adverse effects. Many firms which are financially healthy have lost because of poor decisions. This paper focuses on the capital structure of the company during 2017 to 2019 and will examine the results of various capital structure.

1.2 OBJECTIVES

1. To examine the capital structure pattern of Infosys company ltd.
2. To understand the capital structure of INFOSYS COMPANY LTD.
3. To study the value of the company.
4. For analyzing the capital structure financial ratios are used.
5. To understand the Earning per share of the company

1.3 NEED FOR THE STUDY

The need for deciding upon a suitable capital structure stems from the fact that it is typically less expensive to obtain debt financing when compared to equity. The businesses, therefore, must be careful to employ such proportion of debt, the cost of which does not outweigh the returns on its investment, consequently leaving a greater chunk of returns for the shareholders. Determining the best fit capital structure is equally relevant for small businesses as it is for huge corporations. The ideal capital structure strikes a balance between the risk and returns seeking to maximize the price of the stock while minimizing the cost of capital.

CONCLUSION

- The mix of debt and equity that a entity adopts a known as the capital structure.
- The capital structure is a very important components of an entity's financing.
- Equity and debt are the two main categories of finance available to entities to finance their operation.
- Equity sources of finance include external sources such as ordinary shares and preference shares.