

Course description

Corporate Finance

1. Course name, ECTS, quarter/semester, contact hours

Corporate Finance; quarter : 3-4/ semester: 2; contact hours: 48

2. Author of the course: Nazarova Varvara, PhD in Economics, Researcher, Associate Professor, Department of Finance

3. Outline:

This course gives students the opportunity to specialize in corporate finance, one of the most popular sectors of financial services and will give students the knowledge to successfully navigate the rapidly changing global landscape of corporate finance. On this programme students will develop the practical skills to understand and interpret complex valuations. Topics include: capital budgeting; debt markets; cost of capital; cash-flow modeling; terminal values and multiples analysis; illiquidity; governance; control; cross-border transactions; optimal financing. Corporate finance course is intended to provide necessary knowledge and basic skills in evaluating financing and investment decisions and their influence on corporate performance and value.

Teaching methods include:

- case studies
- group presentations and discussions
- in class problem solving
- lecturers& classes

4. Structure and content:

Corporate Finance: Introduction.

Capital Budgeting. Alternative Investment Metrics. Implementation. Drawbacks.

Risk and return: from asset pricing models to cost of capital.

Investment decisions.

Capital structure choice corporate value. Debt Markets. Pricing, Yield Determination, Credit Risk, Interest Rate Risk, and Duration. Cost of Capital.

Interrelation of financing and investment decisions.

Payout policy and corporate value.

M&A and restructuring.

Optimal Financing. Leverage and WACC. Recapitalizations. Share-Price Impacts.

Applying corporate finance tools: industry-specific features.

5. Prerequisites: The course prerequisites include Financial economics, Microeconomics (basic level) and Financial accounting.

6. Assessment:

- Tests and cases (25%)
- A team project including the production of a report and group presentation (15%)
- Class participation mark (10%)
- written examination (50%): 2 hour exam