

SEMESTER 3 (DUAL AWARD)

CORPORATE FINANCE

1. MODULE SUMMARY

Aims and Summary

The course covers a range of factors related to financial decision making within a company. The main focus is on fundamental decisions that every business has to make when it comes to raising funds and investing them. The course is divided into seven main areas: objective function, financial analysis, investment decisions, financing decisions, dividend decisions, company valuation and dealing with shareholder value (SHV) creation. The students will acquire certain practical skills enabling them to use financial ratio analysis to evaluate a public firm' s financial position; identify the linkages between risk and expected return and use this relationship to calculate the required rate of return for a firm' s common stocks.

Module Size and credits

CATS points	10
Total student study hours	125
Number of weeks	12
School responsible	Lazarski University, Faculty of Economics and Management
Academic Year	2021/2022

Entry Requirements (pre-requisites and co-requisites)

N/A

Excluded Combinations

n/a

Composition of module mark (including weighting of components)

Final exam, 70%

Coursework, 30%, composed of a project

Pass requirements

To pass the course a student must score at least 40% of the overall weighted average and not less than 35% for each assessment component (i.e. coursework and final exam). Re-assessment: coursework component and/or examination as appropriate.

Special Features

n/a

Course stages for which this module is mandatory

MSc in International Business Economics

Course stages for which this module is a core option

n/a

2. TEACHING, LEARNING AND ASSESSMENT

Intended Module Learning Outcomes

On completion of this module, a student will be able to:

1. Apply valuation principles to calculate a bond' s value and its yield.
2. Use stock valuation models to explain when corporate growth strategies can create SHV.
3. Use financial ratio analysis to evaluate a firm' s financial position.
4. Appraise linkages between risk and expected return and use this relationship to calculate the required rate of return for a firm' s common stocks.
5. Calculate relevant cash flows for the project and a project' s NPV and IRR and use these measures to make investment decisions.
6. Explain and calculate the WACC for a company.
7. Asses financial and strategic decisions of the company.

8. Understand reasoning and procedure in IPO and M&A processes.

Indicative Content

The course will focus on:

1. The company' s financial goals, needs, budgeting;
2. Corporate entity;
3. Corporate securities
4. The basic accounting statements;
5. Cash flow and cash management
6. Short-term finance
7. Sources of long-term finance
8. Financial Ratio Analysis;
9. IPO and private placement
10. Hybrid securities
11. Portfolio risk and return;
12. Estimation of asset value, including NPV model and rate of return;
13. Capital structure;
14. Portfolio theory and CAPM;
15. Dividend model and decision;
16. SHV creation.
17. Risk management

Teaching and Learning

This module will be taught by means of lectures and problem solving. Student activity and time spent on each activity comprises:

Guided	0 hours
Lecture	30 hours
Seminar	15 hours

Self guided 80 hours

Total 125 hours

Method Of Assessment (normally assessed as follows)

The intended learning outcomes will be assessed as follows:

Final exam, 70%, will assess learning outcomes 1-7

Coursework, 30%, composed of a project, will assess learning outcomes 1 – 7

Re-sit

Students failing any component of assessment, at the first attempt, are entitled to one re-sit attempt. This will be by new examination and/or new coursework scheduled for the next assessment opportunity. For coursework, if more than one element existed in the first attempt, this may be combined into one assessment for re-sit.

Date of last amendment

15.02.2017

3. MODULE RESOURCES

Essential Reading

Brealey, R.A., and Myers S.C., 2017, *Principles of corporate finance* 12th ed. New York McGraw-Hill Education

Allan C. Shapiro, Sheldon D. Balbirer, *Modern Corporate Finance*, Prentice Hall, 2004

Recommended Reading:

Brealey R.A., Myers S.C., Allen F., *Principles of Corporate Finance (10th Edition)*, Global Edition, McGraw-Hill Irwin (2011)

Brigham E.F, Houston J.F, *Fundamentals of Financial Management (11th Edition)*, ThomsonSouth-Western (2007)

Aswath Damodaran, *Corporate Finance: Theory and Practise*, Wiley, New York 2001.

D. Watson, A. Head, *Corporate Finance: Principle & Practice*, Financial Times Prentice Hall, 2004, 3/E;

The Wall Street Journal, Financial Times, HBR.

Required Equipment

Calculators.

4. MODULE ORGANISATION

Module leader

Name Mgr Tomasz Manowiec

E-mail t.manowiec@gmail.com

Length and month of examination

120 minutes in June

Expected teaching timetable slots

No timetable information available

Subject Quality and Approval information

Board of Study Faculty Collaborative Provision Committee

Subject Assessment Board Faculty Council, Faculty of Economics and Management

Date of approval by FCPC September 2020