Course description form (syllabus form) – for 1st and 2nd cycle studies

**A. General data**

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| **Name of the field** | **Content**  |
| Course title |  **Corporate Finance**  |
| Organizational unit: |  Katedra Finansów i Rachunkowości / Pracownia Zarządzania Finansami |
| Organizational unit where the course is offered: |   |
| Course ID |  2600-0550211018 |
| Erasmus code / ISCED |  |
| Course groups |   |
| Period when the course is offered  |  Winter Semester, 2023/2024 |
| Short description | The primary goal of this course is to provide an integrated overview of the most important ideas in corporate finance from the point of view of the manager of a non-financial corporation. During the course, we shall revise and develop such concepts as corporate valuation, real option valuation, financing decisions, dividends and repurchases, mergers & acquisitions, corporate restructuring. The purpose of the decision shall be to create value for the owners. Each topic shall be illustrated with case studies.  |
| Type of course: |   |
| Full description | 1. Introduction (Area of Finance, Agency Problems, Value and Options)
2. Capital Budgeting under Conditions of Certainty (Time Value of Money, Capital Budgeting Criteria: Net Present Value, Internal Rate of Return, Payback Period, …, Cash Flow Valuation, Non-profit Investment)
3. Cost of Capital (Cost of Capital Component, Debt, Common Equity, Preferred, WACC)
4. Capital Structure Decisions (Overview Capital Structure Effects, Business versus Financial Risk, Capital Structure Theory)
5. Option Pricing with Application to Real Options (Introduction to Option Pricing Models, Introduction to Real Option, Flexibility and Value)
6. Financial Statement Analysis (Quality of Assets, Quality of Earnings, Ratio Analysis, Economic Value Added - EVA, MVA)
7. Working Capital Management (Alternative Working Capital Policies, Criteria of Evaluation of Short-term Borrowing, Preparation of Cash Budget)
8. Mergers & Acquisitions (Types of Mergers, Synergy Valuation, Merger Analysis, Leveraged Buyout, Company Valuation)
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| Prerequisites | Formal  |  Financial Accounting, Finance Basics |
| Initial  |   |
| Learning outcomes | Upon successful completion of the course, the student will be able to:* Assess the financial condition firms and identify hidden assets and hidden liabilities,
* Identify relationships among operating, investment and financial decisions,
* Identify relevant cash flows that are the effects of economic actions,
* Analyse and describe ventures in terms of cash flow and risk,
* Analyse and describe ventures in terms of cash flow (and cost of capital) from different stakeholders point of view,
* Identify main sources of financial risk,
* Assess a company’s value using DCF methods under condition of certainty and uncertainty,
* Analyse and assess the external financial needs to finance particular ventures,
* Analyse and choose the optimal sources of financing in short and long-term,
* Identify and assess flexibilities using real option approach.
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| ECTS credit allocation (and other scores) | 4 ECTS  |
| Assessment methods and assessment criteria | Written exam, team project work, written assignments . The grade composition is as follows:* Team project - 20%
* Class participation- 10%
* Final examination - 70%
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| Examination  | Written exam |
| Type of class |   |
| Method of implementation of the subject | Interactive lecture, class discussion, case analysis |
| Language  |  English |
| Bibliography | **Basic literature:*** Berk J., DeMarzo P., *Corporate Finance*, 6th edition, Pearson 2023 (or earlier edition) or
* Brigham E.F., Ehrhardt M.C., *Financial Management: Theory and practice*, 17th edition, Thompson – South-Western, Mason 2023 (or earlier edition)

**Supplementary literature**:* Kester W.C., Ruback R.C., Tufano P. *Case Problems in Corporate Finance*, 12th edition, McGraw-Hill 2005.
* Selected articles from *Journal of Applied Corporate Finance*, *McKinsey on Finance*, and *The Economist*
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| Internship as part of the course  |   |
| Coordinators | Dr Andrzej Rutkowski  |
| Group instructors | Dr Andrzej Rutkowski |
| Notes  |   |

**B. Detailed data**

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| **Name of the field** | **Content**  |
| Group instructors: | Dr. Andrzej Rutkowski |
| Title  | Dr. |
| Type of class: |  Konwersatorium |
| Learning outcomes defined for didactic method used during the course |  Upon successful completion of the course, the student will be able to:* Assess the financial condition firms and identify hidden assets and hidden liabilities,
* Identify relationships among operating, investment and financial decisions,
* Identify relevant cash flows that are the effects of economic actions,
* Analyse and describe ventures in terms of cash flow and risk,
* Analyse and describe ventures in terms of cash flow (and cost of capital) from different stakeholders point of view,
* Identify main sources of financial risk,
* Assess a company’s value using DCF methods under condition of certainty and uncertainty,
* Analyse and assess the external financial needs to finance particular ventures,
* Analyse and choose the optimal sources of financing in short and long-term,

Identify and assess flexibilities using real option approach. |
| Assessment methods and assessment criteria for didactic method used during the course | Written exam, team project work, written assignments . The grade composition is as follows:* Team project - 20%
* Class participation- 10%
* Final examination - 70%
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| Examination for didactic method used during the course |   |
| Range of content |   |
| Didactic methods | Lecture and seminar with multimedia presentation, discussions, case studies, exercises, individual work of students using financial databases. |
| Bibliography | **Basic literature:*** Berk J., DeMarzo P., *Corporate Finance*, 6th edition, Pearson 2023 (or earlier edition) or
* Brigham E.F., Ehrhardt M.C., *Financial Management: Theory and practice*, 17th edition, Thompson – South-Western, Mason 2023 (or earlier edition)

**Supplementary literature**:* Kester W.C., Ruback R.C., Tufano P. *Case Problems in Corporate Finance*, 12th edition, McGraw-Hill 2005.
* Selected articles from *Journal of Applied Corporate Finance*, *McKinsey on Finance*, and *The Economist*
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| Group limit  |   |
| Time span |   |
| Location |   |