



Course syllabus

School of Business and Economics

Department of Management Accounting and Logistics

2FE052 Corporate Finance, 7,5 högskolepoäng

Corporate Finance, 7.5 credits

Main field of study

Business Administration

Subject Group

Business Administration

Level of classification

First Level

Progression

G2F

Date of Ratification

Approved 2010-06-14

Revised 2013-09-03 by School of Business and Economics. Reading list revised and changed standard texts under examination and course evaluation.

The course syllabus is valid from spring semester 2014

Prerequisites

Business Administration 1 - 60 higher education credits and Finance II or equal

Objectives

After completing this course the students is expected to be able to to have

- deeper knowledge of corporate finance and analysis of investments, firms and risks
- knowledge of capital asset value and option theory
- knowledge of financial and non-financial aspects of mergers and acquisitions
- deeper knowledge of company valuation
- knowledge of consolidated accounts
- knowledge of the capital market's effect on companies abilities to grow and survive
- knowledge of how financial assets are traded
- knowledge of the theory of valuation and option pricing theory

Content

The basis of the course is the fundamental financial decisions in companies concerning acquiring and controlling financial and physical assets and their financing at various levels of risk, at which the financial environment of the company functions both as a starting point, a prerequisite and a facilitator for the business. The course deals with the fundamental aspects of corporate finance including investment analysis, theories of valuation, financial sources of finance in the form of shareholders equity and forms of

credit capital as well as some intermediate forms. The course covers capital structure, investment appraisal, strategies of mergers and acquisitions and dividend policy. The concepts of return and risk analysis is a central theme.

A further objective is to discuss recent developments in the financial markets.

The content of the course is therefore essential for management, especially pertaining to financial decisions within firms.

Type of Instruction

Lectures, seminars, theoretical and practical assignments. Certain parts of the education are compulsory. Compulsory elements will be shown in the class schedule.

Examination

The course is assessed with the grades Fail (U), Pass (G) or Pass with Distinction (VG).

The grading is based on assessment of written exams. Assessment is also carried out on hand-ins of solutions of cases, or other assignments.

Results are graded using one of the terms Passed with distinction, Pass or Fail, and A-F according to the ECTS scale.

For the grade pass, the objectives have to be reached; the grade is based upon the degree to which the objectives are met. The weighing of the grades to the course grade is following the principles in the document "Principer för betygsrapportering dnr ELNU 2011/160".

Students who do not achieve a satisfactory result in the examinations are permitted to make a second attempt approximately 5-8 weeks after the normal examination date. The student will have a minimum of five occasions for written exams in relation to the syllabus to which the student was accepted. Usually 3 occasions per academic year.

Course Evaluation

A written course evaluation is carried out and compiled in a report, which is archived at the faculty. The results and possible measures taken are communicated by the course coordinator and presented to the students the next time the course is given, or in another way deemed suitable by the course coordinator. Other types of course evaluations, for example regular evaluations throughout the course or discussions with students, will be included and encouraged with the aim of ensuring continuous quality development.

Required Reading and Additional Study Material

Brealey, R. & Meyers, S. *Principles of Corporate Finance*. McGraw-Hill. Latest edition. 976 pages.

Damodaren, A. *Investment valuation. Tools and Techniques for Determining the Value of Any Asset*. Wiley. Latest edition. 970 pages.

Johansson, S-E. *The Profitability, Financing and Growth of the Firm*. Studentlitteratur. Latest edition. 60 pages.

Scientific articles. 80 pages.