



## Course syllabus

School of Business and Economics  
Department of Management

2FE193 Corporate Finance I, 7,5 högskolepoäng  
Corporate Finance I, 7.5 credits

### **Main field of study**

Business Administration

### **Subject**

Business Administration

### **Level**

First cycle

### **Progression**

G2F

### **Date of Ratification**

Approved 2014-11-27.

Revised 2025-01-20. Revision of examination, prerequisites, type of instruction and standard texts.

The course syllabus is valid from autumn semester 2025.

### **Prerequisites**

Economics, at G1N/F level, 45 credits, or Business Administration, at G1N/F, 45 credits, or the equivalent. Statistics 15 credits. English 6, or the equivalent.

### **Objectives**

After completing this course the student should be able to:

- account for financial theory and methods, and apply these for analyzing and reason on a advanced level about financial issues
- perform advanced financial planning for firms based on varying conditions
- account for the basics of international finance and international capital markets

- describe the function and organization of the capital market, from the perspective of firms, the capital market, and society
- account for the basics of cash management, and apply these for optimizing firms' cash flows in varying situations
- apply financial theory and experiential knowledge in order to, within a given timeframe and with a consistently described and executed method, perform valuation of a firm, and present the results in both written and oral form
- carry out an opposition of co-students' reports characterized by a critical and reflective stance

## Content

The course contains:

- capital markets and the pricing of risk
- optimal portfolio choice and the Capital Asset Pricing Model
- estimating the cost of capital
- investor behavior and capital market efficiency
- capital structure in a perfect market
- debt and taxes
- financial distress, managerial incentives, and information
- payout policy
- capital budgeting and valuation with leverage
- valuation and financial modeling

## Type of Instruction

The teaching consists of lectures, exercise sessions, and computer labs.

## Examination

The course is assessed with the grades A, B, C, D, E or F.

The course is examined through an individual written examination 4.5 credits and written group examinations with associated presentations 3 credits.

The grade A constitutes the highest grade on the scale and the remaining grades follow in descending order where the grade E is the lowest grade on the scale that will result in a pass. The grade F means that the student's performance is assessed as fail.

Resit examination is offered in accordance with Linnaeus University's Local regulations for courses and examination at the first- and second-cycle levels.

In the event that a student with a disability is entitled to special study support, the examiner will decide on adapted or alternative examination arrangements.

## Course Evaluation

During the implementation of the course or in close conjunction with the course, a course evaluation is to be carried out. Results and analysis of the course evaluation are to be promptly presented as feedback to the students who have completed the course. Students who participate during the next course instance receive feedback at the start of the course. The course evaluation is to be carried out anonymously.

## Overlap

The course cannot be included in a degree along with the following course/courses of which the content fully, or partly, corresponds to the content of this course: 2FE004, 2FE918, 2FE044:4, 2FE045:4, 2FE085:4 and 2FE095:4 with 7.5 credits each.

## Required Reading and Additional Study Material

### **Required reading**

Berk & DeMarzo. *Corporate Finance*. Pearson Education. Latest edition. About 1160 pages.

Additional study material. About 80 pages.