



Course syllabus

School of Business and Economics

Department of Management Accounting and Logistics

2FE193 Corporate Finance I, 7,5 högskolepoäng

Corporate Finance I, 7.5 credits

Main field of study

Business Administration

Subject Group

Business Administration

Level of classification

First Level

Progression

G2F

Date of Ratification

Approved 2014-11-27

Revised 2018-10-03 by School of Business and Economics. Changes in contains.

The course syllabus is valid from autumn semester 2019

Prerequisites

Students applying for the course within the Business Administration and Economics Programme need to have successfully completed 105 of 120 credits from the first two years of the Business Administration and Economics Programme, including Financial Accounting, Finance and Management Accounting I, 15 credits and Financial Accounting, Finance and Management Accounting II, 15 credits, or the equivalent. English B/English 6 or the equivalent.

alternatively

60 credits within Business Administration, including Financial Accounting, Finance and Management Accounting I, 15 credits and Financial Accounting, Finance and Management Accounting II, 15 credits, or the equivalent. English B/English 6 or the equivalent.

Objectives

After completing this course the student is expected to be able to:

- account for financial theory and methods, and apply these for analyzing and reason on a sophisticated 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, seminars and practical assignments. Obligatory parts are stated in the schedule.

Examination

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

The course is examined through an individual case assignment, opposition and an individual written exam.

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.

After each regular examination there will be at least one new examination in close proximity to the date the results of the regular exam were posted. Students who are close to the passing grade of reports can complement after instructions and time-frame given by the examiner to obtain a pass grade.

Grading criteria for the A–F scale are communicated in writing to the student by the start of the course at the latest.

Course Evaluation

During the implementation of the course or in close connection to the course a course evaluation is to be carried out. Result and analysis of the course evaluation is to be presented as feedback both to the students who have completed the course and to the students who are to participate on the course the next time it is offered. The course evaluation is to be carried out anonymously.

Credit Overlap

The course cannot be included in a degree along with the following courses of which the content fully, or partly, corresponds to the content of this course: The course overlaps 2FE004, 2FE918, 2FE044:4 and 2FE045:4 with 100 % 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.

