



Course syllabus

School of Business and Economics

Department of Management Accounting and Logistics

2FE193 Corporate Finance I, 7.5 credits

Corporate Finance I

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 2022-02-28 by School of Business and Economics. Revision of prerequisites and update of standard texts.

The course syllabus is valid from autumn semester 2022

Prerequisites

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

alternatively,

Students applying for the course within the Business Administration and Economics Programme need to have:

At least 52.5 credits within Business Administration, within in following courses:

- Introduction to Management Control 7.5 credits,
- Management Accounting and Investment Appraisal 7.5 credits,
- Financial Accounting 7.5 credits,
- Finance and Analysis 7.5 credits,

and,

at least 52.5 credits within following courses:

- Macroeconomics 15 credits,
- Microeconomics 15 credits,
- Business Statistics I 7.5 credits,
- Business Statistics II 7.5 credits,
- Commercial Law I 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, seminars and practical assignments.

Examination

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

The course is examined through a written case assignment that is presented orally (3 credits) and an individual written exam (4.5 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. Grading criteria for the A–F scale are communicated in writing to the student by the start of the course/module at the latest, as well as how the weighting and weighting of grades on individual examining elements to the final course grade takes place. The basis for the

student's grade is determined by the student's fulfillment of the objectives.

Repeat examination is offered in accordance with Local regulations for courses and examination at the first and second-cycle level at Linnaeus University. An examiner can, in exceptional cases, decide that a student who is close to the level for a passing grade may carry out supplementary assignments in order to reach the passing grade.

If the university has decided that a student is entitled to special pedagogical support due to a disability, the examiner has the right to give a customised exam or to have the student conduct the exam in an alternative way.

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.

Credit 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 och 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.