



Name	CORPORATE FINANCE
Component Modules	-
Subject area	SECS-P/09
Academic year and semester	3rd year, 2nd semester
Language of instruction	English
ECTS	8
Number of hours of lectures	48
Teachers	
Expected learning outcomes	<p>At the end of the course, the student will have acquired the basic knowledge required to analyze, understand, and interpret the main theoretical models in the field of corporate finance and the main applications in the business world. In particular, the student will have acquired knowledge and understanding of the main tools to carry out relevant measures about the performance of a company and the cost of capital, as well as knowledge of the elements concerning financial analysis, the evaluation of company investments, and the principles of composition of the financial structure.</p> <p>At the end of the course, the student will have acquired the ability to use the main tools to make relevant measurements about the company's performance and the cost of capital, as well as the ability to interpret the underlying logic of the company's financial structure, with the ultimate aim of creating value for shareholders.</p> <p>At the end of the course the student will have acquired the ability to make decisions about investment projects and through the theoretical notions acquired the student will be able to express qualitative / quantitative judgments regarding the conditions of feasibility of investments, their profitability, as well as the cost of company capital and the efficiency of the related financial structure.</p> <p>At the end of the course, the student will be able to express effectively and in a clear and linguistically appropriate manner the knowledge acquired in the field of business performance, cost of capital, financial analysis, evaluation of company investments and principles of composition of the financial structure.</p>
Syllabus	Introduction to corporate finance. Origin and nature of the company's cash flows. Reclassification of financial statements. Financial analysis: determination of balance sheet ratios and cash flows. Financial system and market efficiency. The financial value of time, the opportunity cost of capital, and the net present value criterion. Yield and value of stocks and bonds. Risk and return of financial instruments. The cost of equity capital and other forms of financing. Investment evaluation criteria. Analysis of relevant flows and incentives for value creation. Risk analysis in investment valuation. Principles of composition of the financial structure.
Teaching and learning methods	<p>Teaching is mainly delivered through lectures. In addition to lectures, the course also involves a number of hours of interactive teaching (at least one hour for each ECTS). Each class will be divided into a first part dedicated to theoretical questions and a second part dedicated to exercises in order to allow student to learn methodologies and tools in an active way.</p> <p>There will be two written tests, one mid-term and one final. Both tests will include multiple choice questions and exercises. Students can access the final test only if they have passed the first mid-term test.</p>



Evaluation methods	<p>Alternatively, students can sit a general written test that includes multiple-choice questions and exercises. The mid-term tests last about 75 minutes, while the general test lasts about 100 minutes.</p> <p>The multiple-choice questions include questions on both theoretical and application issues, and are aimed at assessing the students' degree of knowledge and understanding of the main tools for effectively measuring a company's performance and the cost of capital, as well as the elements concerning financial analysis, the evaluation of company investments and the principles of composition of the financial structure. The exercises are aimed at assessing the ability to use the main tools to make relevant measurements about the company's performance and the cost of capital, to make decisions about investment projects, as well as to interpret the logic underlying the company's financial structure.</p>
Assessment methods	<p>The assessment of learning involves the assignment of a mark expressed out of thirty. If the student decides to take the mid-term and final tests, the final grade expressed in thirtieths is given by the arithmetic average of the evaluations obtained in the two tests. In both cases, the grade is awarded on the basis of the following criteria: up to 15 points are awarded for the multiple-choice questions, up to 16 points are awarded for the exercises.</p> <p>Each test can be taken only once on the date set.</p>
Prerequisites	<p>The completion of the course of Accounting and financial status is a prerequisite. It is also necessary to acquire basic knowledge of Mathematics, Financial mathematics, and Statistics.</p>
Teaching materials	<p>Brealey, R. A., Myers, S. C., & Allen, F. (2022). <i>Principles of corporate finance</i>. McGraw-Hill.</p> <p>Lecture notes provided by the teacher.</p>