

Name	CORPORATE FINANCE
Component modules	-
Scientific-disciplinary sector	ECON-09/A
Year of course and semester of provision	3rd Year, 2nd semester
Teaching language	English
Didactic load in university formative credits	8
Number of hours of total assisted teaching activities divided between DD and ID	Delivered Teaching: 48 Interactive Teaching: 8
Lecturer	Course Coordinator: Prof. Francesco D'Ercole Lecturers: Prof. Francesco D'Ercole - 4 CFU (Part II of the program). Prof. Domenico Frascati - 4 CFU (Part I of the program).
Specific learning outcomes	By the end of the course, students will have acquired the fundamental knowledge required to analyze, understand, and interpret the main theoretical models of corporate finance, along with their principal applications to real business cases. In particular, students will be able to apply the main tools for assessing corporate performance and the cost of capital, as well as to understand capital structure policies with a view to shareholder value creation. Furthermore, students will develop the ability to assess investment decisions and to formulate qualitative and quantitative judgements regarding investment feasibility, profitability, and the efficiency of the corresponding financial structure. By the end of the course, students will be able to communicate, with clarity and appropriate technical language, the knowledge acquired concerning corporate performance, cost of capital, financial analysis, investment valuation, and the principles of capital structure.
Program	The program is divided into two main parts: Part I. Introduction to corporate finance. Introduction to cash flows. Review of financial statement analysis. Financial analysis: determination of financial ratios and cash flows. Financial Market Structure and Market Efficiency. The time value of money, the present value of cash flows. Valuation and pricing of stocks and bonds. Part II. Risk and return of financial instruments. The cost of equity capital, cost of debt and the Weighted Average Cost of Capital (WACC). Investment appraisal. Risk assessment in investment appraisal. Corporate Objectives and Governance: Agency Problems, Shareholder vs Stakeholder Capitalism. Fundamentals of capital structure decisions.
Types of didactic activities and relative methods of carrying them out	The course is structured around lectures delivered according to the academic calendar. Each session combines a theoretical component with a practical one, dedicated to exercises designed to help students engage proactively with the methodologies and tools presented. Specific interactive sessions will also be devoted to laboratory activities and Microsoft Excel exercises, providing students with practical preparation for the exam.
Learning evaluation methods and criteria	The exam consists of a final written exam including multiple-choice questions and exercises. Students may choose between two alternative paths to take the exam. Path 1 consists of two intermediate exams. Each intermediate exam lasts 75 minutes and includes 19 multiple-choice questions and 3 exercises. The first intermediate exam may be taken only once during the teaching break scheduled within the semester in which the course is offered, and it covers the Part 1 of the syllabus. The second intermediate exam is held at the end of Part 2, on one of the scheduled exam dates. Access to the second intermediate exam is subject to passing the first intermediate exam. After passing the first intermediate exam, the second intermediate exam may be taken only once and must be completed by the end of the academic year. Passing both intermediate exams entitles the student with a final grade calculated as the average of the two intermediate exam grades. Path 2 consists of a single final exam covering the entire course syllabus, including 30 multiple-choice questions and 4 exercises, lasting 100 minutes.

	Multiple-choice questions are based on theoretical and applied questions and aim at verifying knowledge and understanding of the main instruments to measure corporate performance, the cost of capital, financial analysis, evaluation of corporate investments, and the principles of capital structure. The exercises aim at assessing the ability to apply the relevant measures of corporate performance and the cost of capital, to implement investment decisions, as well as to interpret capital structure policies.
Criteria for measuring learning and assigning the final grade	The learning evaluation criteria consist of a final mark expressed out of thirty (/30). In the case of intermediate exams, the final mark will be equal to the mean value of the intermediate exams. Marks are based on the following criteria: • up to 15 points will be assigned to the multiple choice questions; • up to 16 points will be assigned to the exercises. Each intermediate exam can be only taken once in the established intermediate exam date.
Prerequisites	Previous studies in Accounting are required. Furthermore, it is necessary the acquisition of basic knowledge in both Mathematics, Financial Mathematics and Statistics.
Didactic material used and recommended didactic material	Principles of Corporate Finance, Richard A. Brealey, Stewart C. Myers, Franklin Allen, Alex Edmans; 2022 Teaching material provided by the teacher and shared on the web platform.