

COURSE SYLLABUS

Corporate Finance I, 7.5 credits

Corporate Finance I, 7,5 högskolepoäng

Course Code:	FSAK13	Education Cycle:	First-cycle level
Confirmed by:	Council for Undergraduate and Masters Education Jan 4, 2013	Disciplinary domain:	Social sciences (75%) and natural sciences (25%)
Revised by:	Council for Undergraduate and Masters Education Oct 22, 2014	Subject group:	FE1
Valid From:	Jan 19, 2015	Specialised in:	G1F
Version:	2	Main field of study:	Business Administration, Economics
Reg number:	IHH 2014/4323-122		

Intended Learning Outcomes (ILO)

On completion of the course the student will be able to:

Knowledge and understanding

1. understand corporate finance from a cash flow perspective.
2. describe the theoretical concepts of perfect market, the Law Of One price and noarbitrage opportunity

Skills and abilities

3. perform different valuation calculations based on cash flows
4. apply and compare various alternative ways of using and raising capital

Judgement and approach

5. judge and evaluate ethics and incentives within corporations

Contents

This course provides an introduction to the three tasks of the Financial Manager: investment decisions, financing decisions and cash management. The purpose of the course is to present Corporate Finance within a unifying valuation framework based on the Law of One Price and other powerful simple ideas. The course gives also an introduction to students how to solve financial problems with the help of a spreadsheet software.

Main topics covered in the lectures and seminars:

- Different firm types and ownership
- Concept of time value of money
- Interest rates
- Valuation methods
- Introduction to capital budgeting
- Risk and return
- Short- and long-run financial planning including leasing
- Corporate governance and regulation

Type of instruction

Lectures, exercises, and e-learning

The teaching is conducted in English.

Prerequisites

30 credits in Business Administration or Economics (or the equivalent).

Examination and grades

The course is graded A, B, C, D, E, FX or F.

The student's ability to understand corporate finance from a cash flow perspective is evaluated through a written assignment and a written exam (mid-term and final) which focus both on understanding financial planning concepts and being able to calculate basic values of cash flows, risk and interest rates.

ILOs 1 to 5 are examined in the written exam

ILOs 3 and 4 are also examined in the assignment

Registration of examination:

Name of the Test	Value	Grading
Examination	6 credits	A/B/C/D/E/FX/F
Assignment	1.5 credits	U/G

Course evaluation

It is the responsibility of the examiner to ensure that each course is evaluated. At the outset of the course, evaluators must be identified (elected) among the students. The course evaluation is carried out continuously as well as at the end of the course. On the completion of the course the course evaluators and course examiner discuss the course evaluation and possible improvements. A summary report is created and archived. The reports are followed up by program directors and discussed in program groups and with relevant others (depending on issue e.g. Associate Dean of Education, Associate Dean of faculty, Director of PhD Candidates, Dean and Director of Studies). The next time the course runs, students should be informed of any measures taken to improve the course based on the previous course evaluation.

Other information

The course Corporate Finance I replaces the course Financial Planning. Students who have not passed the exam in Financial Planning yet are referred to take the exam in Corporate Finance I instead (the contents of both courses overlap).

Academic integrity

JIBS students are expected to maintain a strong academic integrity. This implies to behave within the boundaries of academic rules and expectations relating to all types of teaching and examination.

Copying someone else's work is a particularly serious offence and can lead to disciplinary action. When you copy someone else's work, you are plagiarizing. You must not copy sections of work (such as

paragraphs, diagrams, tables and words) from any other person, including another student or any other author. Cutting and pasting is a clear example of plagiarism. There is a workshop and online resources to assist you in not plagiarizing called the Interactive Anti-Plagiarism Guide.

Other forms of breaking academic integrity include (but are not limited to) adding your name to a project you did not work on (or allowing someone to add their name), cheating on an examination, helping other students to cheat and submitting other students work as your own, and using non-allowed electronic equipment during an examination. All of these make you liable to disciplinary action.

Course literature

Literature

Berk, J., DeMarzo, P., Corporate Finance. Pearson International Ed., latest edition