

## COURSE SYLLABUS

# Corporate Finance 1, 7.5 credits

*Corporate Finance 1, 7,5 högskolepoäng*

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<b>Course Code:</b>	FSAK13	<b>Education Cycle:</b>	First-cycle level
<b>Confirmed by:</b>	Council for Undergraduate and Masters Education Oct 6, 2011	<b>Disciplinary domain:</b>	Social sciences (75%) and natural sciences (25%)
<b>Revised by:</b>	Council for Undergraduate and Masters Education Apr 5, 2022	<b>Subject group:</b>	FE1
<b>Valid From:</b>	Jan 16, 2023	<b>Specialised in:</b>	G1F
<b>Version:</b>	5	<b>Main field of study:</b>	Business Administration, Economics

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### 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
5. use Excel to solve financial problems

Judgement and approach

6. 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

- 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.

Individual written exam (ILOs: 1-6) representing 6 credits.

Individual written assignment (ILOs: 3-4) representing 1.5 credits.

Registration of examination:

Name of the Test	Value	Grading
Individual written exam <sup>1</sup>	6 credits	A/B/C/D/E/FX/F
Individual written assignment <sup>1</sup>	1.5 credits	U/G

<sup>1</sup> All parts of the compulsory examination in the course must be passed with a passing grade (A-E) before a final grade can be set. The final grade of the course is determined by the sum total of points for all parts of the examination in the course (0-100 points). Grade is set in accordance to JIBS grading policy.

**Course evaluation**

It is the responsibility of the examiner to ensure that each course is evaluated. At the outset of the course, the programme evaluators in the course must be contacted. In the middle of the course, the examiner should meet the programme evaluators to identify strengths/weaknesses in the first half of the course.

At the end of the course, the examiner should remind students to fill in the survey. The examiner should also call a meeting with the programme evaluators to debrief the course, based on course evaluation data and comments. The next time the course runs, students should be informed of any measures taken to improve the course based on the previous course evaluations.

At the end of each study period, JIBS' Director of Quality and Accreditation crafts a "Course Evaluation Quarter Report", presenting the quantitative results from course evaluation surveys. The Associate Dean of Education, The Associate Deans of Faculty, Programme Directors, and JSA President and Quality receive the report.

**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 plagiarising. 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 plagiarising 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

Berk/DeMarzo, *Corporate Finance*, Pearson, latest edition.