

Fundamentals of corporate finance (intensive course)

EM054M2JA1

Semester

A

Discipline

Finance

Contact hours

27 H

Number of spots

45

Open to visitors

Yes

Language



Coordinator

Denis Davydov 

List of lecturers

Lecturer(s)	Email	Contact hours - lecture
Denis DAVYDOV	denis.davydov@hanken.fi	27 h

Pedagogical contribution of the course to the program

No educational contribution associated with this course for this program.

Description

The course provides an in-depth exploration of the core concepts, theories, and practices that govern the financial decision-making processes within corporations. It aims to provide students with a solid foundation in corporate finance principles, functions of the capital market, investment projects appraisal, as well as in firm valuation methods. The course consists of a combination of lectures, case studies, group discussions, and hands-on financial analysis exercises to reinforce theoretical concepts and foster practical applications. Students are expected to have a basic understanding of accounting principles, financial mathematics, and economics fundamentals. By the end of the course, students are expected to develop understanding, necessary skills, and confidence to navigate the complexities of corporate finance, and the capacity to analyze, interpret, and make informed financial decisions in a corporate setting.

Teaching methods

Face-to-face

- Lectures

In group

- Projects
- Case studies/texts

Interaction

- Discussions/debates

Others

No items in this list have been checked.

Learning objectives

Cognitive domain

Upon completion of this course, students should be able to

- - (level 1) define key financial terms and concepts related to corporate finance, such as time value of money, capital budgeting, risk, and return
 - - (level 3) apply discount cash flow (DCF) and other valuation methods to analyze investment opportunities and make informed financial decisions
 - - (level 4) examine wide range of financial instruments and various valuation techniques and their applications in assessing the worth of assets
 - - (level 4) analyze and compare various investment projects to determine their feasibility and potential for value creation
 - - (level 5) assess the ethical implications of financial decisions and their impact on corporate governance and stakeholders
 - - (level 6) develop financial models and conduct complex financial analyses to assess the performance and viability of business ventures considering risk, return, and funding constraints
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Affective domain

Upon completion of this course, students should be able to

None affective domain have been associated with this course yet

Outline

1. Fundamental concepts (3h)

Overview of corporate finance, framework for corporate financial decision making, the importance of financial information and reporting, the function and the role of the financial managers, basics of financial statement analysis

2. Basics of financial arithmetic (6h)

Time value of money, valuation principles, present and future values, stocks and bonds valuation

3. Corporate investments and risk-return trade-off (4h)

Investment decision rules, basics of capital budgeting, valuing financial instruments, types of risk, risk identification and measurements, risk premiums, capital asset pricing model (CAPM)

4. Financing decisions (4h)

Sources of capital: equity and debt, basics of capital structure, and implications of financing choices on a firm's cost of capital

5. Corporate governance (2h)

Corporate governance concept and its role in transparency, accountability, and ethical behavior within an organization

6. Financial planning and forecasting (4h)

Creation of financial plans, financial modeling and forecasting

7. Case study (4h)

Valuation methods and shareholder value

Overall, at the end of the course, students should be able to apply fundamental principles of corporate finance to make informed financial decisions. They will be able to evaluate financial information to identify important economic trade-offs in corporate financing policies, and formulate optimal capital budgeting decisions considering risk, return, and funding constraints. Moreover, they will understand the ethical implications of financial choices and demonstrate the ability to develop financial plans that align with corporate objectives and contribute to long-term value creation.

No prerequisite has been provided

Knowledge in / Key concepts to master

Students are expected to have a basic understanding of accounting principles, financial mathematics, and fundamentals of economics.

Teaching material

Mandatory tools for the course

- Computer

Documents in all formats

- Case studies/texts
- Worksheets

Moodle platform

- Upload of class documents
- Interface to submit coursework

Software

- Pack Office (Word, Excel, PowerPoint, Access)

Additional electronic platforms

No items in this list have been checked.

Recommended reading

Main reading material

Berk, DeMarzo, Harford. Fundamentals of Corporate Finance, 5th edition.

Additional literature
Additional reading assigned during the course.

EM Research: Be sure to mobilize at least one resource

Textbooks, case studies, translated material, etc. can be entered
No reading material has been provided.

Assessment

List of assessment methods

Intermediate assessment / continuous assessment 1 Other (date, pop quiz, etc.) : TBD

Written / Individual / English / Weight : 10 %

Details : Problem-solving exercises Students will receive an exercise set that they will need to solve and submit. By submitting solutions to exercises before the submission deadline, students may earn up to 10 points, which corresponds to 10% of the final grade. Students may choose to submit solutions to all, several, or only one problem in an exercise set. In case of no submission, the final grade will be limited to 90%.

This evaluation is used to measure ILO1.3-PGE

Intermediate assessment / continuous assessment 2 Other (date, pop quiz, etc.) : TBD

Written and oral / Group / English / Weight : 40 %

Details : Case study group work The purpose of the group work is to provide hands-on experience in corporate valuations. The assignment is graded on a scale from 0 to 40 points based on the quality of the written report and presentation. In order to pass the assignment, groups need to obtain at least 20 points (i.e. 50%). The course cannot be completed without completing the case study assignment.

This evaluation is used to measure ILO1.3-PGE, ILO2.1-PGE, ILO2.3-PGE, ILO3.2-PGE

Final evaluation Last class

Written / Individual / English / Weight : 50 %

Details : The exam is organized at the end of the course and based on the topics covered during the lectures. To pass the course, one needs to score at least 50% of the total points on the final exam. The test will consist of different types of questions such as multiple-choice, problem-solving, open questions, etc.

This evaluation is used to measure ILO1.1-PGE, ILO1.3-PGE