

Corporate Finance

Language: English

Level of Spanish required: Not required

Course description

The course is designed at the level of the undergraduate students with the objective to acquire the basic skills and knowledge on the corporate finance topic. During the course we will learn the basics of investment project appraisal and business valuation, the main notions about the capital structure and average cost of financing. We will be focusing on the subject applied to the practice rather than in the theoretical fashion.

Methodology

The class will combine lectures with practical component and complementary learning activities (case solving, exercises, IT practices etc.), done individually or in small working groups, in class or at home. Students will be provided with the power points on each topic with the main concepts, examples, explanations and the suggested readings. Assistance is important to follow the subject successfully.

Assessment

Exam: 40%

Essay: 40%

Assistance and class participation: 20%

Syllabus

1. Introduction to corporate finance
2. Investment project analysis

3. Capital structure & cost of capital

4. Financial Valuation of the firms

Weekly program

WEEK ONE

| Classes | Subjects |
|----------------|--|
| Class 1 | Managing Finance for Value Creation: Corporate Finance Principles. |
| Class 2 | Financial markets and project valuation. |

WEEK TWO

| Classes | Subjects |
|----------------|---|
| Class 3 | Cash Flow Analysis: A Strategic Approach. |
| Class 4 | The Investment Decision. Long term and short term assets. |

WEEK THREE

| Classes | Subjects |
|----------------|---|
| Class 5 | Valuation: Modern Finance Theory in Practice. |
| Class 6 | Corporate and competitive strategy. |

WEEK FOUR

| Classes | Subjects |
|----------------|---|
| Class 7 | The Optimal Capital Structure. |
| Class 8 | Debt restructuring: considerations about Bank Negotiations. |

WEEK FIVE

| Classes | Subjects |
|----------------|---|
| Class 9 | Leveraged Buyouts. |
| Class 10 | Financial distress and the interactions between financing and investment decisions. |

WEEK SIX

| Classes | Subjects |
|----------------|-------------------------|
| Class 11 | Mergers & acquisitions. |
| Class 12 | M & A in Practice. |

WEEK SEVEN

| Classes | Subjects |
|----------------|---|
| Class 13 | The Selling Process: Key Success Factors. |
| Class 14 | Dividends: Financial and Psychological Aspects. |

WEEK EIGHT

| Classes | Subjects |
|----------------|--|
| Class 15 | Strategy for new businesses; going public and private. |
| Class 16 | Ethical Dilemmas in Finance. |
| Class 17 | Final Exam |

Bibliography

- BERK, Jonathan y DEMARZO, Peter Corporate Finance, Pearson. (ed. 2008)
- BREALEY, Richard A., MYERS, Stewart C. y ALLEN, Franklin, Principles of Corporate Finance, McGraw Hill.
- DAMODARAN, Aswath, Applied Corporate Finance, John Wiley.
- DURBAN OLIVA, Salvador, Finanzas Corporativas, Pirámide.
- FERNÁNDEZ, Ana Isabel, GARCÍA OLALLA, Myriam, Las decisiones Financieras de la Empresa, Ariel Economía.
- MASCAREÑAS PÉREZ-ÍÑIGO, Juan, Fusiones, adquisiciones y valoración de empresas, Ecobook – Editorial del Economista, Madrid.
- MASCAREÑAS PÉREZ-ÍÑIGO, Juan, Finanzas para directivos, Pearson.
- PORTILLO TARRAGONA, M. Pilar, El impacto fiscal en la selección de proyectos de inversión, Estrategia Financiera, Febrero 2005, nº 214.
- SUÁREZ SUÁREZ, Andrés S., Decisiones Óptimas de Inversión y Financiación en la Empresa, Ediciones Pirámide S.A.