

## Corporate Finance

Module Code: DLMINRE

Module Type	Admission Requirements	Study Level	CP	Student Workload
see curriculum	None	MBA	5	150 h

Semester / Term	Duration	Regularly offered in	Language of Instruction and Examination
see curriculum	Minimum 1 semester	WiSe/SoSe	English

### Module Coordinator

Prof. Dr. David Florysiak (Corporate Finance)

### Contributing Courses to Module

- Corporate Finance (DLMINRE01)

### Module Exam Type

#### Module Exam

Study Format: Distance Learning  
Exam, 90 Minutes

Study Format: myStudies  
Exam, 90 Minutes

#### Split Exam

### Weight of Module

see curriculum

### Module Contents

- Portfolio and capital market theory
- Financing and capital structure
- Company assessment procedures
- Acquisition, corporate control, and governance
- Finance planning

**Learning Outcomes****Corporate Finance**

On successful completion, students will be able to

- know the key components of corporate finance.
- use financial mathematical methods.
- apply the previously learned methods by using selected data sets and case studies.
- understand the capital structures of a corporation as well as their need to make investment and funding decisions.
- apply the common methods of business valuation and understand the basics of mergers & acquisitions.

**Links to other Modules within the Study Program**

This module is similar to other modules in the field of Finance & Tax Accounting.

**Links to other Study Programs of the University**

All Master Programmes in the IT & Business & Management field.

# Corporate Finance

Course Code: DLMINRE01

Study Level	Language of Instruction and Examination	Contact Hours	CP	Admission Requirements
MBA	English		5	None

## Course Description

How is funding provided to a corporate activity? How much loan capital and/or own capital does one need? Which projects are worth investing in? What is the actual value of a company? What instruments are available to measure the value of a company and assess financial markets? How can one ensure an optimal balance between the competing goals of liquidity, safety, yield, and growth? This course offers answers to these and other complex questions on the topic of financing and investing. The introduction deals with portfolio selection and capital market theory. With this theoretical foundation, various financing types and capital structures are then explained in detail. Well-known corporate assessment procedures, such as the discounted cash flow method, are presented, as are different calculations that can be used to inform decision making. A critical element of the course is the topic of mergers and acquisitions. Case studies are included to illustrate which parties are typically involved in a merger or acquisition and what criteria is used to determine the success of such a venture. The course concludes with the topic of finance planning.

## Course Outcomes

On successful completion, students will be able to

- know the key components of corporate finance.
- use financial mathematical methods.
- apply the previously learned methods by using selected data sets and case studies.
- understand the capital structures of a corporation as well as their need to make investment and funding decisions.
- apply the common methods of business valuation and understand the basics of mergers & acquisitions.

## Contents

1. Portfolio and Capital Market Theory
  - 1.1 Capital Markets and Informational Efficiency
  - 1.2 Portfolio Theory
  - 1.3 CAPM

2. Stock and Portfolio Analysis
  - 2.1 Measures of Risk and Performance
  - 2.2 Stock Analysis
3. Optimal Capital Structure
  - 3.1 Capital Structure Based on the Traditional Theorem
  - 3.2 Capital Structure According to Modigliani/Miller
  - 3.3 Neo-Institutional Capital Structure Model
4. Types of Financing
  - 4.1 Internal and External Financing
  - 4.2 Debt Financing
  - 4.3 Equity Financing
  - 4.4 Additional Financing Options
5. Capital Budgeting
  - 5.1 Fundamental Concepts
  - 5.2 Static Capital Budgeting Methods
  - 5.3 Dynamic Investment Calculation Methods
6. Business Valuation
  - 6.1 Purpose and Methods of Business Valuation
  - 6.2 Individual Valuation Methods
  - 6.3 Total Valuation Methods
  - 6.4 Weighted Average Cost of Capital (WACC)
7. Corporate Control and M&A
  - 7.1 The Market for Corporate Control: Mergers and Acquisitions
  - 7.2 Motivations for M&A Transactions
  - 7.3 Phases of M&A Transactions
8. Specific Forms of M&A, Private Equity, Due Diligence, and IPOs
  - 8.1 Due Diligence
  - 8.2 Friendly and Hostile Takeovers, LBOs, MBOs, and MBIs, and IPOs
  - 8.3 Private Equity & Venture Capital Companies

9. Corporate Governance
  - 9.1 Internal and External Corporate Governance
  - 9.2 Example of Legal Basis: Sarbanes Oxley Act (SOX)
  - 9.3 Effect on the Company Performance and the Significance of Ownership Structures
  - 9.4 Additional Financing Options
10. Financial Planning
  - 10.1 Principles of Financial Planning
  - 10.2 Cash Budgeting
  - 10.3 Projected Financial Statements and Ratios

#### Literature

#### Compulsory Reading

#### Further Reading

- Brealey, R., Myers, S. C., & Allen, F. (2016). Principles of corporate finance (12th ed.). New York, NY: McGraw-Hill Education.
- Brealey, R. A., Myers, S. C., & Marcus, A. J. (2015). Fundamentals of corporate finance (8th ed.). New York, NY: McGraw-Hill Education.
- Brigham, E. F., & Daves, P. R. (2016). Intermediate financial management (12th ed.). Boston, MA: Cengage.
- Copeland, T. E., Weston, J. F., & Shastri, K. (2014). Financial theory and corporate policy (Pearson New International ed.). Harlow: Pearson Education.
- Damodaran, A. (2014). Applied corporate finance (4th ed.). Hoboken, NJ: Wiley & Sons.

**Study Format Distance Learning**

<b>Study Format</b> Distance Learning	<b>Course Type</b> Online Lecture
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<b>Information about the examination</b>	
<b>Examination Admission Requirements</b>	<b>BOLK:</b> yes <b>Course Evaluation:</b> no
<b>Type of Exam</b>	Exam, 90 Minutes

<b>Student Workload</b>					
<b>Self Study</b>	<b>Contact Hours</b>	<b>Tutorial</b>	<b>Self Test</b>	<b>Independent Study</b>	<b>Hours Total</b>
90 h	0 h	30 h	30 h	0 h	150 h

<b>Instructional Methods</b>	
<input type="checkbox"/> Learning Sprints® <input checked="" type="checkbox"/> Course Book <input type="checkbox"/> Vodcast <input checked="" type="checkbox"/> Shortcast <input checked="" type="checkbox"/> Audio <input checked="" type="checkbox"/> Exam Template	<input type="checkbox"/> Review Book <input type="checkbox"/> Creative Lab <input type="checkbox"/> Guideline <input type="checkbox"/> Live Tutorium/Course Feed <input type="checkbox"/> Reader <input checked="" type="checkbox"/> Slides

**Study Format myStudies**

<b>Study Format</b> myStudies	<b>Course Type</b> Lecture
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<b>Information about the examination</b>	
<b>Examination Admission Requirements</b>	<b>BOLK:</b> yes <b>Course Evaluation:</b> no
<b>Type of Exam</b>	Exam, 90 Minutes

<b>Student Workload</b>					
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