

CORPORATE FINANCE 2, (ECTS 5)

The purpose of this course is to familiarize the students with basic, central concepts of corporate finance. The first part of the course covers the valuation including discounted cash flow valuation and project analysis. The second part of the course deals with the cost of capital, where and why does risk get embedded in the cost of capital and pricing the risk. The major part of the course focuses on the corporate financial policy. The aim of this part is to analyze the major issues affecting the financial policy of a modern corporation, such as the choice of its capital structure, dividend policy, and share repurchases and corporate governance system. Finally, the course covers special topics including mergers & acquisitions, an introduction to the pricing of options and their use in corporations for risk management.

CLASS HOURS

class	45 hours (15 weeks * 3 hours)
total	45 hours

TOPICS

- Introduction to the Course
- Discount Cash Flow Analysis
- Project Analysis
- Introduction to Risk, Return, and the Opportunity Cost of Capital
- Risk, Return and Capital Budgeting
- The Cost of Capital
- Debt Policy
- Dividend Policy
- An Overview of Corporate Financing
- Venture Capital, IPOs and Equity Issues

ELEMENTS OF GRADE

50 points Mid-term exam I
50 points Mid-term exam II

LITERATURE:

Brealey, Myers, Marcus: Fundamentals of Corporate Finance, McGraw-Hill (4th edition, 2004)