Syllabus
2026 - 2027

TECHNICAL SHEET OF THE SUBJECT

Data of the subject	
Subject name	Corporate Finance
Subject code	E000006873
Mainprogram	Bachelor's Degree in Business Administration and Management
Involved programs	Grado en Administración y Dirección de Empresas y Máster Universitario en Ingeniería Industrial [Fifth year] Grado en Administración y Dirección de Empresas (E-2) [Third year] Grado en Administración y Dirección de Empresas y Grado en Derecho [Third year] Grado en Administración y Dirección de Empresas y Grado en Relaciones Internacionales [Third year] Grado en Administración y Dirección de Empresas (E-2) - en inglés [Third year] Grado en Admin. y Dirección de Emp. y Grado en Análisis de Negocios/Bachelor in Business Analytics [Third year] Grado en Psicología y Grado en Administración y Dirección de Empresas [Fourth year]
Level	Reglada Grado Europeo
Quarter	Semestral
Credits	6,0 ECTS
Type	Obligatoria (Grado)
Department	Departamento de Gestión Financiera
Coordinator	Prof. Susana de los Ríos Sastre
Schedule	Published on the faculty website.
Office hours	To be announced in class.
Course overview	This course provides an in-depth analysis of financial decision-making and value creation under uncertainty, with particular attention to the relationship between the firm and financial markets.

Teacher Information	
Teacher	
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SPECIFIC DATA OF THE SUBJECT

Contextualization of the subject

Contribution to the professional profile of the degree

Corporate Finance is a compulsory semester-long course that, together with Fundamentals of Finance, forms a basic introductory block in finance. It provides the foundation for the other courses in the finance area, both compulsory and elective. Accordingly, the knowledge acquired in Corporate Finance serves as a basis for the Financial Markets course and also for all courses taught in the fourth and fifth years, such as Portfolio Management, Mergers and Acquisitions, Derivatives, Consolidation of Financial Statements and Budgetary Control. The knowledge and methodologies presented in this course are necessary for any Business Administration student, regardless of their future specialisation. The competencies acquired will be important in their professional lives, whether they work in financial companies or in the finance department of any type of company, including when starting their own business.

Prerequisites

To take Corporate Finance, students require basic knowledge previously acquired in subjects such as Financial Accounting or Financial Mathematics.

Competencies - Objectives

Competences

GENERALES

CG1	Adquirir una base de conocimientos sólida y relevante sobre la disciplina científica y empresarial
CG2	Capacidad de gestionar información y datos provenientes de fuentes diversas para hacer un análisis crítico y un correcto diagnóstico de la realidad empresarial.

CG3	Capacidad para la resolución de problemas y toma de decisiones empresariales seleccionando y aplicando adecuadamente las técnicas pertinentes de análisis de datos	
	RA2	Aplica los conceptos matemáticos y técnicas cuantitativas y cualitativas de análisis de datos necesarios para la resolución de problemas empresariales y apoyar el diagnóstico y toma de decisiones en la empresa.
CG6	Pronunciarse de manera ética y comprometida sobre asuntos medioambientales, sociales y de gobierno corporativo que regulan un nuevo escenario empresarial.	
	RA1	Identifica en los ejercicios y casos prácticos las actuaciones profesionales que se corresponden con valores éticos.
ESPECÍFICAS		
CE19	Conocimiento y comprensión de las distintas áreas de las finanzas corporativas como partes fundamentales y profundamente interrelacionadas con la estrategia de la empresa conducente a la creación de valor.	
	RA2	Conoce los conceptos teóricos sobre valoración de empresas (Flujo de Caja Libre, Coste de Capital, ¿) y los diferentes métodos de valoración de empresas existentes y es capaz de escoger de manera crítica, el o los métodos más apropiados en cada caso. Domina y aplica en la práctica los métodos del descuento de flujos de caja (DCF) y de los múltiplos.
	RA3	Conoce las teorías existentes sobre cómo se puede crear o no valor a través de la política de endeudamiento y de las políticas de dividendos: Teoría de Modigliani y Miller, Teoría del Equilibrio (Trade off); Teoría de la Jerarquía Financiera y Teoría Organizativa.
CE20	CE20 Conocimiento y comprensión de las funciones que desempeña el Director Financiero y del entorno en el que lo hace; de los principios en los que se basa la Dirección Financiera y del papel de la información contable en el análisis y toma de decisiones financieras.	
	RA2	Conoce y comprende la Teoría Moderna de Carteras y el concepto de eficiencia en los mercados financieros.
	RA3	Conoce y comprende los conceptos básicos de los futuros y opciones financieros como instrumentos para la gestión del riesgo en la empresa.

THEMATIC BLOCKS AND CONTENTS

Contents - Thematic Blocks

Topic 1: FIXED-INCOME VALUATION

1. Basic concepts
2. Bond valuation
3. Interest rate risk of a bond
4. Duration

Topic 2: CORPORATE VALUATION I

1. Valuation fundamentals: static and dynamic methods, absolute and relative valuation
2. Equity valuation: Dividend Discount Model (DDM)
3. Discounted Cash Flow (DCF) valuation
4. Multiples valuation

Topic 3: CORPORATE VALUATION II: CAPITAL STRUCTURE AND CORPORATE TRANSACTIONS

1. Impact of financial leverage on corporate valuation
2. Relevance of valuation in Mergers and Acquisitions (M&A)

Topic 4: DIVIDEND POLICY

1. The dividend payout decision
2. Factors to consider when defining a dividend policy
3. Other forms of shareholder remuneration

Topic 5: PORTFOLIO THEORY

1. Market efficiency
2. Diversification, return and risk
3. The efficient frontier and the Capital Market Line (CML)
4. CAPM and the Security Market Line (SML)

Topic 6: FINANCIAL DERIVATIVES

1. Financial derivatives and their uses
2. Financial futures
3. Financial options

Topic 7: FINANCIAL ETHICS

1. Ethical issues in finance
2. Case studies

TEACHING METHODOLOGY

General methodological aspects of the subject

In-Class Methodology:

In-person sessions consist of content blocks organized by the teaching team for the collective benefit of presentations, exercises, debates and practical activities, with the active presence of all students. The following types of in-person activity are envisaged: lectures, general content presentation sessions, exercises and problem-solving, workshops (case studies) and theoretical-practical seminars.

Non-Presential Methodology:

The work students carry out outside class, when properly guided, is an essential complement to the learning process. Guiding students' work outside the classroom and having a system for tutoring and monitoring these tasks are crucial within the process. Each student's independent work is not necessarily synonymous with working alone, but may take various forms: study, information searches, further bibliographic research on course content, and teamwork or tutorial sessions.

SUMMARY STUDENT WORKING HOURS

CLASSROOM HOURS		
Lecciones de carácter expositivo	Ejercicios y resolución de casos y de problemas	Exposición pública de temas o trabajos
31.50	20.00	5.50
NON-PRESENTIAL HOURS		
Estudio individual y/o en grupo y lectura organizada	Ejercicios y resolución de casos y de problemas	
60.00	33.00	
		ECTS CREDITS: 6,0 (150,00 hours)

EVALUATION AND CRITERIA

The use of AI to produce full assignments or substantial parts thereof, without proper citation of the source or tool used, or without explicit permission in the assignment instructions, will be considered plagiarism and therefore subject to the University’s General Regulations.

Evaluation activities	Evaluation criteria	Weight
FINAL EXAM	To apply the assessment algorithm, students must pass the final exam, i.e. obtain a minimum mark of 5.0. If the final exam is failed (mark below 5.0), the final course grade will be the final exam grade. Once the final exam has been passed, the course is passed if the weighted average is equal to or higher than 5.0	60 %
MIDTERM ASSESSMENT	Compulsory midterm test to be taken on the date set by the course lecturers (does not exempt material from the final exam).	10 %
TEAM WORK ACTIVITIES	The type of team assignment(s), the specific dates and the necessary guidelines will be indicated in class. Teams will be formed in accordance with the lecturer's instructions, and the assessment may include both a group and an individual component	15 %

ATTENDANCE AND ACTIVE CLASS PARTICIPATION	Mere attendance in class does not constitute active participation. Students' interest and proactive attitude, the timely and proper submission and quality of the activities established by the lecturer, respectful conduct in the classroom, progress in learning, and contribution to the class's collective learning will be assessed	15 %

Ratings

For the students with a formal exemption (of at least 50%) to attend class (including those on an exchange programme abroad), the final exam mark will represent 100% of the course grade. If a student fails, the final exam mark will count for 100% of the course grade in any second or subsequent retakes.

USE OF CHATGPT OR ANOTHER IAG

According to the University's General Regulations, improper use of ChatGPT or other generative artificial intelligence tools will be considered a serious offence. Specifically, Article 168.2.e states: "carrying out actions tending to falsify or defraud the academic performance evaluation systems." The consequences for such offences may include temporary expulsion for up to three months, prohibition from taking the exam in the next session after the imposition of the sanction, and receiving a failing grade (0) in the respective subject. Additionally, students may also be prohibited from taking the exam for that subject in the next session.

In this course, the teacher may permit the use of IAG for specific activities. Students are required to do the following:

- Clearly indicate why they used IAG (ChatGPT). All content created with generative AI must be labelled as such. Any adapted content using generative AI should also be labelled and properly cited.

- Include, as additional material (annexes), the complete prompt (questions and answers) from their conversation with the IAG (ChatGPT) that led to the generation of the task.

Failure to comply with these obligations will result in IAG being deemed improper, leading to the aforementioned penalties.

BIBLIOGRAPHY AND RESOURCES

Basic Bibliography

ROSS, Stephen A.; WESTERFIELD, Randolph W.; JAFFE, Jeffrey and JORDAN, Bradford D. (2018): Corporate Finance: Core Principles and Applications, 5th edition. Ed. McGraw-Hill.

Complementary Bibliography

BREALEY, Richard; MYERS, Stewart & ALLEN, Franklin (2020): Principles of Corporate Finance, 13th edition. Ed. McGraw-Hill.

BREALEY, Richard; MYERS, Stewart & MARCUS, Alan (2018): Fundamentals of Corporate Finance, 9th edition. Ed. McGraw-Hill.

ROSS, Stephen A.; WESTERFIELD, Randolph W. & JAFFE, Jeffrey (2018): Finanzas Corporativas, 11th edition. Ed. McGraw-Hill.

PRAT, Margarita (coord.) (2016): Ejercicios resueltos de finanzas. Universidad Pontificia Comillas