

**COMILLAS**

UNIVERSIDAD PONTIFICIA

ICAI

ICADE

CIHS

**Syllabus**  
**2025 - 2026****TECHNICAL SHEET OF THE SUBJECT**

Data of the subject	
Subject name	Advanced Corporate Finance
Subject code	E000011594
Main program	<a href="#">Official Master's Degree in Business Administration - MBA</a>
Involved programs	Máster Universitario en Administración de Empresas (MBA) [First year]
Level	Postgrado Oficial Master
Quarter	Semestral
Credits	3,0 ECTS
Type	Optativa
Department	Departamento de Gestión Financiera
Coordinator	María Luisa Garayalde Niño (mlgarayalde@icade.comillas.edu)
Office hours	On appointment.
Course overview	Types of investment analysis. Macroeconomic environment of companies: Relationship between the economic cycle and the stock market cycle, and analysis of the most relevant macroeconomic factors for fundamental analysis. Influence of the characteristics of economic sectors on company valuation. Economic-financial diagnosis of companies. Projection of companies' financial statements. Application of company valuation models. Preparation of market reports with investment recommendations.

Teacher Information	
Teacher	
Name	María Luisa Garayalde Niño
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**SPECIFIC DATA OF THE SUBJECT**

Contextualization of the subject
Contribution to the professional profile of the degree
Advanced Corporate Finance completes the students' learning and helps them to foster their professional careers in the financial departments of companies and in the Public Administration.
It also provides students with the tools to elaborate, to finance and to value the financial issues of other areas such as entrepreneurship, starting-up and engineering.
Finally, this subject gives students a wider view on the link between corporate finances and financial markets, allowing them to enter the investment banking and financial consulting world and, secondly, brokerage and portfolio management.
Prerequisites
It is necessary to have basic knowledge of accounting, financial analysis and financial maths.



## Competencies - Objectives

### Competences

#### GENERALES

<b>CG01</b>	Analytic and synthesis cognitive capacities applied to business situations and managing and organisation problems.
<b>CG02</b>	Management of data and information as key elements for decision-making and for identification, formulation and resolution of business problems.
<b>CG03</b>	Problem-solving and decision-making skills at a strategic, tactic and operational level with regard to a business, considering the interrelationship between the different functional and business areas.
<b>CG04</b>	Application of concepts and theories on business organizations in order to discover new business opportunities and acquire long-term competitive advantages.
<b>CG05</b>	Ethical commitment with a behaviour based in moral principles and those principles of the organisation when facing moral dilemmas and corporate social responsibility issues.
<b>CG06</b>	Time management capacity with the purpose of improving personal and team efficiency within business organizations, its environment and its management.
<b>CG07</b>	Critical reasoning and argumentation according with the understanding of knowledge and know-how on business administrations, their external context and their administration and management processes.
<b>CG08</b>	Initiative, creativity and entrepreneurship when applying management techniques and related knowledge to management and development of business organizations.
<b>CG09</b>	Knowledge, understanding and handling of tools for diagnosis of the competitive position of a company, and designing and executing the company's strategic plan.

## THEMATIC BLOCKS AND CONTENTS

### Contents - Thematic Blocks

Company Valuation: special cases  
International investment projects Analysis  
Foreign exchange risk hedging: forward and currency options  
International financing  
Swap: interest rate swap and currency swap

#### 1. Financial Asset Classes

Financial Asset Classes



1.1. Equities 1.2. Fixed Income (Bonds) 1.3. Liquidity & equivalents 1.4. Commodities 1.5. Currencies 1.6. Derivatives & Structured Products  
1.7. Private Equity & Venture Capital 1.8 Other

## 2. Equities

### Equities (Shares)

2.1 Equities features. Political & Economic rights. Risks affecting equities. 2.2. Shareholding remuneration policies. Pay out. Cash Dividends. Script Dividends. Buy backs. Zero Dividend. 2.3. Capital structure. Internal vs External financing resources. Cost of capital (WACC). How to raise equity. Classes and purpose of external financing. Optimal Financial structure and Debt Theories: Miller & Modigliani Propositions, Theory of Equilibrium. Theory of Financial Hierarchy and Organizational Theory. 2.4. Qualitative issues: Entry barriers. Competitive Advantages. Management team. Business Strategy. Sector and country regulation. Treatment to Minority shareholder. 2.5. Equity valuation methods: 2.5.1. Book Value. Adjusted Book Value. Replacement Value. 2.5.2. Net Present Value (NPV) y Internal Rate of Return (IRR). 2.5.3. Peers Comparison. Groups of ratios: operating, financial, return and valuation ratios. 2.5.4. Valuation stemming from recent deals in the market.

## 3. Fixed Income

### Treasuries and Bonds

3.1. The yield curve 3.2. Types of bonds: 3.2.1. On the issuer: sovereign vs corporate bonds. 3.2.2. On maturity: Treasury bills, Bonds and Obligations. 3.2.3. On coupon: at a discount, zero-coupon, fixed periodical coupons, floating coupons, strip bonds. 3.2.4. On financial hierarchy: covered, junior, senior, subordinated, convertibles, contingent convertible (cocos), preferred shares. 3.2.5. On face value: at the par, under the par, over the par. 3.2.6. On credit rating: Investment Grade vs High Yield. 3.3. Risks affecting bonds: default, market, interest rates, early redemption, illiquidity 3.4. Bonds valuation: 3.4.1. Price vs IRR 3.4.2. Coupon vs IRR 3.4.3. Accrued coupon 3.4.4. Duration, modified duration, convexity. 3.5. Strategies with bonds: 3.5.1. Active 3.5.2. Passive

## 4. Liquidity & equivalents

### Liquidity & equivalents

4.1. How to use and manage liquidity 4.2. T-bills 4.3. Repos.

## 5. Introduction to portfolio management theories

### Introduction to Portfolio Management

5.1. Portfolio Management theories. Historical contributions: Markowitz, Tobin, Sharpe, Ross, Rubinstein, Fama & French, VaR 5.2. Investing vehicles: Portfolios, Mutual Funds, Hedge Funds, Pension Funds, SICAVs. 5.3. Investing styles: active vs passive 5.4.: Active Investing philosophies: value, growth, momentum, event-driven, contrarian, special situations, arbitrage, absolute return. 5.5. How to measure performance: Alpha vs beta. Sharpe ratio and other ratios. 5.6. How to protect a portfolio.

## 6. Financial models in Excel

### 6. Financial models in Excel

**6.1. Estimates and projections of P&L Account, Balance Sheet and Cash Flow Statement**

**6.2. The key step of defining consistent assumptions and hypotheses**

**6.3. How to calculate realistic costs**

**6.4. Focus on future working capital needs and capex**



6.5. Alternative scenarios and sensitivity analysis

6.6. Cash budgets and the challenge of managing liquidity

## TEACHING METHODOLOGY

### General methodological aspects of the subject

#### In-class Methodology: Activities

On-site methodology: Lectures and explanations by the professor. Solving practical exercises and financial cases. Comments and discussions on financial reports and news. Oral presentation of an end-term individual work.

#### Non-Presential Methodology: Activities

Off-site methodology: Students will solve on their own practical exercises and financial cases either individually or in teams. Elaboration of an end-term individual work. Reading and commenting on financial reports and news.

## SUMMARY STUDENT WORKING HOURS

CLASSROOM HOURS			
Lectures of an expository nature	Analysis and resolution of cases and exercises, individually or collectively	Oral presentations of topics, cases, exercises and papers	Debates
6.00	15.00	4.00	5.00
NON-PRESENTIAL HOURS			
Collaborative learning	Analysis and resolution of cases and exercises, individually or collectively	Individual study and organized reading	Academic tutoring
20.00	15.00	7.00	3.00
ECTS CREDITS: 3,0 (75,00 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
The final individual exam includes theoretical questions and practical exercises	If a student does not obtain at least 4 out of 10 points in this exam, he/she fails this subject. In this case, none of the assignments completed during the term will be considered neither other qualification criteria	50



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## Syllabus 2025 - 2026

Not only attendance to lectures will be taken into consideration, but also the active role of each student.	Asking questions, volunteering to solve exercises, giving opinions on the topics to be discussed contributes to qualification	10
During the term, each student working either individually or in teams will have to solve assignments, exercises and business cases.	Each of these assignments, exercises and cases will receive a maximum of 10 points.	30
Each student must individually elaborate and present orally a final monographic assignment	This assignment will be either read, summarize and explain a book on financial investing or the financial analysis of a company.	10

### Ratings

The assessment is completed entirely without AI assistance in a controlled environment, ensuring that students rely solely on their existing knowledge, understanding and skills.

Students cannot use AI at any point.

Students will have two opportunities to pass the course during the course: one during the academic period and the other in a recovery exam period that will take place in the month of July.

In order to pass the course during the academic period, the student must obtain a minimum grade of 5 in the final individual exam.

Those students who do not pass this first evaluation will be able to repeat the individual exam in the recovery period in July. The grades obtained by the students in the rest of the components of the evaluation -with their corresponding weightings in the final grade- will be maintained in this second evaluation.

Those students who have been excused from attendance to school will be graded according to the grade obtained in the final individual exam.

Translated with DeepL.com (free version)

### Ordinary

The ordinary evaluation will be done according to the criteria and weights already described in this syllabus.

Those students with official justification of unattendance will have to go through the extraordinary evaluation.

### Extraordinary



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On the Extraordinary evaluation none of the criteria and weights used in the Ordinary evaluation will be used.

On the Extraordinary evaluation the students will face a new and sole exam with both theoretical questions and practical exercises. In this exam the student must obtain 5 out of 10 points to succeed and pass the subject.

This Extraordinary evaluation is for those students failing the Ordinary evaluation as well as those with official justification of unattendance.

## BIBLIOGRAPHY AND RESOURCES

### Basic Bibliography

- Ross, S. Westerfield, R. Jafe, J. and Jordan, B. (2017) Corporate Finance. Core principles and applications (Fifth Edition). McGrawHill.
- Brealey, Richard; Myers, Stewart and Allen, Franklin (11ª edición): Principles of Corporate Finance, Concise Edition, Second Edition. Ed. McGraw-Hill International
- Aswath Damodaran (2011), The Little Book of Valuation, John Wiley & Son.
- Tom Koller, Marc Goedhart, David Wessels: Valuation: Measuring and Managing the Value of Companies, University Edition (Wiley Finance). Seventh Edition (2020)

### Complementary Bibliography

Bernstein, William: "The four pillars of investing". Ed: McGraw-Hill

Bolton, Anthony: "Investing against the tide". Ed: FT Prentice Hall

Buffet, Mary: "Buffettology", Ed: Simon & Schuster

Cunningham, L.; Eide, T. & Hargreaves, P.: "Quality investing" Ed. Harriman House

Dorsey, Pat: "The little books that builds wealth". Ed: John Wiley & Sons

García Paramés, Francisco: "Investing for the long term", Ed: Wiley Finance

Graham, Benjamin: "The intelligent investor", Ed: HarperCollins

Greenblatt, Joel: "The Little book that beats the market". Ed: John Wiley & Sons

Hagstrom, Robert: "The Warren Buffet way" Ed. John Wiley & Sons

Lynch, Peter: "One Up onWall Street". Ed: Simon & Schuster

Templeton, L. & Philips, S.: "Investing the Templeton Way" Ed: McGraw-Hill