

DOI-MBA-612 Finance and Investment in Industry and Technology

SEMESTER: Spring
CREDITS: 3 ECTS (2 hrs. per week)
LANGUAGE: English
DEGREES: MBA+MII/MIT

Course overview

This course introduces the basic concepts of large scale, capital intensive projects valuation and finance, bringing together skills and techniques previously learnt in the degree. The infrastructure industry is one of the most relevant for engineers and several industrial and financial players demand finance engineering capabilities: sponsors, finance providers, infrastructure funds, EPC-contractors and others.

Upon course completion, students will have a real-world working knowledge of project finance, which will enable them to effectively put the concepts and frameworks into practice in real life projects.

Prerequisites

Previous knowledge of corporate finance (cost or capital and project valuation) is required, although they will be reviewed and revisited during the course

Course contents

Theory:

1. INTRODUCTION OF FUNDING AND EVALUATING OF PROJECTS
2. COST OF CAPITAL
3. FINANCING OF CAPITAL PROJECTS.
4. PROJECT FINANCE.
5. PROJECT EVALUATION.
6. CAPITAL/INFRASTRUCTURE PROJECT MARKETS.
7. START-UP FINANCING

Textbook

- Notes and slides prepared by lecturer.

Complementary:

- Crundwell, F.K. (2008). Finance for Engineers. Evaluation and Funding of Capital Projects. Springer.
- Brealey, R., Myers, S. and Marcus, A. (2012) Fundamentals of Corporate Finance, 7th Edition. McGrawHill.
- Higgins, R.C. (2011) Analysis for Financial Management, 10th Edition. McGrawHill.
- Ross, S. Westerfield, R. and Jordan, B. (2014) Essentials of Corporate Finance, 8th Edition. McGrawHill.
- Bodmer, E. (2014) Corporate and Project Finance Modeling: Theory and Practice. Wiley Finance

Grading

- Mid-term test 20%
 - Understanding of the theoretical concepts.
 - Application of these concepts to problem and case solving.
 - Critical analysis of numerical exercises' results.
- Final exam 40%
 - Understanding of the theoretical concepts.
 - Application of these concepts to problem and case solving.
 - Critical analysis of numerical exercises' results.
- Case Resolution 30%
 - Case intake (Pre and post discussion in class).
- Class Participation 10%
 - Attendance
 - Active participation in class

To pass the subject it is necessary to have a minimum exam grading of 4.0 (20% mid tem and 40% final exam) and minimum global grading of 5.0.

If not, the retaking scheme consists of a retake exam 60%, case resolution 30% and class participation 10%.