

COURSE DESCRIPTION AND OUTLINE

Subject Information	
Name	CORPORATE FINANCE
Degree	Degree in Business Analytics, and Law (E-3 Analytics), and Business Analytics and Business Administration (ADE Analytics)
Year	3°
Semester	1st & 2nd
ECTS Credits	6
Type	Core
Department	Financial Management
Area	FINANCE
Time	To be announced through the web page
Description	Identification and in-depth study of the analytical tools suited to each financial reality. Study of Mergers & Acquisitions. Relationship between the different areas of finance in order to create value. Application of analytical software and statistical inference techniques to the relevant financial data in order to understand trends, threats and value creation opportunities and to forecast the future evolution of a business.

Teacher information	
Name	Carlos Bellón Núñez-Mera
Department	Financial Management
Area	Finance
e-mail	cbellon@comillas.edu
Phone	91 542 28 00 - ext. 2245
Office	OD-423
Teacher information	
Name	Alejandro Rodríguez Gallego
Department	Financial Management
Area	Finance
e-mail	argallego@icade.comillas.edu
Phone	91 542 28 00 - ext. 2781
Office	CD-435
Teacher information	
Name	Rocío Sáenz-Diez Rojas
Department	Financial Management
Area	Finance
e-mail	rsaenz@icade.comillas.edu
Phone	91 542 28 00 - ext. 2238
Office	OD-423 bis
Teacher information	
Name	Jorge López Moreno
Department	Financial Management
Area	Finance

DETAILED COURSE INFORMATION

The course in context
Contribution to employability
<p><i>Corporate Finance</i> is a semester-long core subject. Taught on the third year of the Business Analytics degree.</p> <p>Together with <i>Introduction to Finance</i> they constitute the basis for all the other core and optional courses in the finance concentration.</p> <p>Familiarity with the concepts and methodologies introduced in <i>Corporate Finance</i> is required of any student of Business Analytics, regardless of her future concentration. This knowledge will be important in her future professional endeavors, whether these take place in the financial sector or elsewhere, including public administration or NGOs.</p>
Pre-requisites
<p>To attend <i>Corporate Finance</i> students must have coursed the following subjects (or have similar level of knowledge):</p> <p><i>Introduction to Finance, Introduction to Accounting, Financial Accounting for Decision Making, Financial Mathematics, Statistics and Probability, Introduction to Programming and Introduction to Business Analytics.</i></p>

SYLLABUS

PART 1: VALUATION
Chapter 1: Financial Statement Analysis
<ul style="list-style-type: none">1.1 The Income Statement1.2 The Balance Sheet1.3 Calculation and interpretation of the different cash flow figures1.4 Concept and calculation of working capital, cash cycle and its components1.5 Ratio analysis1.6 Financial projections and relationships between Financial Statements
Chapter 2: Cost of Capital
<ul style="list-style-type: none">2.1 Cost of equity2.2 Cost of debt2.3 Leverage: Modigliani & Miller propositions2.4 Optimal capital structure2.5 The effect of leverage on the cost of equity2.6 WACC
Chapter 3: Firm Valuation
<ul style="list-style-type: none">3.1 Sources and characteristics of data used in valuation3.2 Discounted Cash Flow Method Valuation<ul style="list-style-type: none">3.2.1 Forecasting of Free Cash Flows3.2.2 Terminal Value3.2.3 Firm value and Equity value3.3 Valuation through multiples<ul style="list-style-type: none">3.3.1 EV/EBITDA3.3.2 P/E3.3.3 Others

PART 2: OTHER ISSUES IN FINANCE
Chapter 4: Mergers and Aquisitions
4.1 Reasons for Merger and Acquisitions (M&A) 4.2 Valuation process in M&A 4.3 Results of M&A
Chapter 5: Ethics in finance

TEACHING METHODS

Teaching methods inside the classroom	Competencias
<ol style="list-style-type: none"> Lectures and presentations. The professor will introduce key concepts and methods through lectures, small presentations, practical examples and student participation. In class resolution of problems. Solving basic problems in class to introduce methodologies and apply theoretical concepts. Professor and students will solve the problems cooperatively. Live coding sessions. Professor and students will write programs to apply the concepts learnt to real world problems. 	<p>CE 9, CE 14</p> <p>CG2, CG3, CE 9, CE 14</p> <p>CG 2, CG 3</p>
Teaching methods outside the classroom	Competencias
<ol style="list-style-type: none"> Individual study of the material to be discussed in later classroom sessions. This activity is undertaken by the student individually by reading, analyzing, and interiorizing the information provided by the course and it will be discussed with peers and professor in later classroom activities. Solving practical problems outside of class. Once the key concepts and methodologies have been introduced, the student will apply them to solve practical problems proposed by the professor. Group Project: Application to real world problems. An application of concepts and methods learnt in the course to real world data will be developed in teams. Office hours. Individually or in groups, to solve questions and doubts that students may have after introducing each chapter. As well as to guide students in their learning process. 	<p>CG2, CG3, CE 9, CE 10</p> <p>CG2, CG3, CE 9, CE 10, CE 14</p> <p>CG2, CG3, CG4, CE 9, CE 10</p> <p>CG2, CG3, CG4, CE 9, CE 14</p>

SUMMARY OF STUDENT WORK DISTRIBUTION			
Hours inside the classroom: 60			
Lessons	Case and problem solving	Seminars and workshops	
30	20	10	
Hours outside the classroom: 90			
Individual and group study			Tutorials
85			5
ECTS CREDITS:			6 (150 hrs)

ASSESSMENT AND EVALUATION CRITERIA

Activities	WEIGHT
Final Exam	50%
Group Project	20%
Classroom participation	10%
Individual assignments and tests	20%
A detailed breakdown of activities will be provided at the start of the semester.	

A grade above 4.0 in the final exam and above 5.0 in the weighted total is necessary to pass the course on the first sitting. In the second and following sittings the written final exam will represent 100% of the grade. This will also apply to sstudents that have a formal exemption (of at least 50%) to attend class (including those who are on an exchange programme abroad).

BIBLIOGRAPHY AND ADDITIONAL READINGS

Bibliography
Text books
ROSS, Stephen A.; WESTERFIELD, Randolph W.; JAFFE, Jeffrey and JORDAN, Bradford D. (2018): Core Principles and Applications of Corporate Finance: Global Edition, 5th edition. Ed. Mc Graw-Hill.
Additional Reading List
Textbooks

- DAMODARAN, A. (2012). *Investment Valuation: Tools and Techniques for Determining the Value of any Asset*. Ed. Wiley. (2nd edition)
- KOLLER, T., GOEDHART, M. Y WESSELS, D. (2015). *Valuation: Measuring and Managing the Value of Companies*, 6th Edition, Ed. John Willey & sons
- HILPISCH, Yves (2014): *Python for Finance*. Ed. O'Reilly.
- BREALEY, Richard; MYERS, Stewart y ALLEN, Franklin (2014): *Principles of Corporate Finance*, 11th edition. Ed. Mc Graw-Hill.
- BREALEY, Richard; MYERS, Stewart y MARCUS, Alan (2012): *Fundamentals of Corporate Finance*, 7th edition. Ed. Mc Graw-Hill.
- ROSS, Stephen A.; WESTERFIELD, Randolph W. and JAFFE, Jeffrey (2012): *Finanzas Corporativas*, 9ª edición. Ed. Mc Graw-Hill.
- PRAT, Margarita (coord.) (2007): *Ejercicios resueltos de finanzas*. Ed. U.P.Comillas,