COURSE DESCRIPTION AND OUTLINE

Subject Information	
Name	**CORPORATE FINANCE**
Degree	**Degree in Business Analytics, and Masters in Telecom Engineering), Master in Telecom Engineering**
Year	**5th / 1st**
Semester	**1st & 2nd**
ECTS Credits	**6**
Type	**Optional**
Departament	**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	
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DETAILED COURSE INFORMATION

The course in context
Contribution to employability

Corporate Finance is a semester-long core subject. Taught in the third year of the Business Analytics degree.
    Together with *Introduction to Finance,* they constitute the basis for all the other core and optional courses in the finance concentration.
    Familiarity with the concepts and methodologies introduced in *Corporate Finance* 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.

Pre-requisites
To attend *Corporate Finance* students must have coursed the following subjects (or have a similar level of knowledge): *Introduction to Finance, Introduction to Accounting, Financial Accounting for Decision Making, Financial Mathematics, Statistics and Probability, Introduction to Programming,* and *Introduction to Business Analytics.*

SYLLABUS

PART 1: VALUATION
Chapter 1: Financial Statement Analysis
1.1 The Income Statement
1.2 The Balance Sheet
1.3 Calculation and interpretation of the different cash flow figures
1.4 Concept and calculation of working capital, cash cycle and its components
1.5 Ratio analysis
1.6 Financial projections and relationships between Financial Statements
Chapter 2: Cost of Capital
2.1 Cost of equity
2.2 Cost of debt
2.3 Leverage: Modigliani & Miller propositions
2.4 Optimal capital structure
2.5 The effect of leverage on the cost of equity
2.6 WACC
Chapter 3: Firm Valuation
3.1 Sources and characteristics of data used in valuation

3.2 Discounted Cash Flow Method Valuation
       3.2.1 Forecasting of Free Cash Flows
       3.2.2 Terminal Value
       3.2.3 Firm value and Equity value

3.3 Valuation through multiples
       3.3.1 EV/EBITDA
       3.3.2 P/E
       3.3.3 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
1. **Lectures and presentations.** The professor will introduce key concepts and methods through lectures, small presentations, practical examples and student participation.	CE 9, CE 14
2. **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.	CG2, CG3, CE 9, CE 14
3. **Live coding sessions.** Professor and students will write programs to apply the concepts learnt to real world problems.	CG 2, CG 3

Teaching methods outside the classroom	Competencias
1. **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.	CG2, CG3, CE 9, CE 10
2. **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.	CG2, CG3, CE 9, CE 10, CE 14
3. **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.	CG2, CG3, CG4, CE 9, CE 10
4. **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.	CG2, CG3, CG4, CE 9, CE 14

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)**

ASSESMENT 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 5.0 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).

According to the General Regulations of the University, art. 168.2.e: "carrying out actions tending to falsify or defraud the academic performance evaluation systems", the improper use of ChatGPT or another IAG will be considered a serious offense. The consequences of this will include "temporary expulsion of up to three months or the prohibition to take the exam in the next call to the imposition of the sanction, in one or several subjects in which the student is enrolled, [...] apart from assuming the grade of fail (0) in the respective subject, [...] [and] the prohibition to take the exam in that subject in the next call." Specifically, in this subject, the teacher may allow the use of IAG for specific activities of the subject; where the student is obliged to do the following:

• That the student clearly indicates why he has used IAG (ChatGPT). All content created with generative AI must be labelled as such. All content that uses generative AI and is adapted, must be labelled in the same way as authors are cited.
• It includes as additional material (annexes) the complete prompt (questions and answers) of your conversation with IAG (ChatGPT) to generate the task.
In case of not complying with the above obligations, the use of IAG by the student will be considered improper use for the purposes mentioned above.

BIBLIOGRAPHY AND ADDITIONAL READINGS

Bibliography

Text books

ROSS, Stephen A.; WESTERFIELD, Randolph W.; JAFFE, Jeffrey and JORDAN, Bradford D. (2021): Core Principles and Applications of Corporate Finance: Global Edition, 6th 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,