

Course Information	
Subject	Corporate Finance
Degree	Master in Finance
Course	First course
Term	First term
ECTS – Credits	3 ECTS
Type of Course	Mandatory
Department	ICADE Business School
Area	Finance
Professor	
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Attendance Hours	Available by e-mail
CV	Available in moodle

COURSE SPECIFICS

Context of the Course
Contribution to the professional profile of the master degree.
Class Aims
<p>The aim of this course is to deal with the issues affecting the financial area of the company from the point of view of business strategy.</p> <p>The matters to be discussed are fundamentally questions of profitability and cost that affect the company as a whole and therefore all the financial statements will come into play.</p> <p>The aim is to enable the student to be able to make both investment and financing decisions.</p>

CONTENTS

Contents
Lesson 1:
<ul style="list-style-type: none"> • Time value of money • NPV and IRR • Cash flows • Investment project
Lesson 2:
<ul style="list-style-type: none"> • Capex • Operating Cash Flows
Lesson 3:
<ul style="list-style-type: none"> • Sunk cost • Differential Costs
Lesson 4:
<ul style="list-style-type: none"> • Working Capital • Terminal Value • Sensitivity analysis

Lesson 5:
<ul style="list-style-type: none"> • Cost of capital
Lesson 10:
<ul style="list-style-type: none"> • .
<ul style="list-style-type: none"> • Discount rate
Lesson 6:
<ul style="list-style-type: none"> • Valuation: Methods based on assets • Valuation: Methods based on profitability • Valuation: Multiples
Lesson 7:
<ul style="list-style-type: none"> • .Company valuation
Lesson 8:
<ul style="list-style-type: none"> • Stock Market valuation
Lesson 9:
<ul style="list-style-type: none"> • Start Up Valuation
Lesson 10:
<ul style="list-style-type: none"> • Negotiation
Lesson 11:
<ul style="list-style-type: none"> • Finance for Uncertain Times
Lesson 12:
<ul style="list-style-type: none"> • .Final Exam

Competences
General competences
<p>CGB 1. Capacity for analysis and synthesis</p> <p>CGB 2. Problem solving and decision making</p> <p>CGB 4. Ability to manage information from different sources</p> <p>CGB 5. Advanced computer skills related to field of study</p> <p>CGB 6. Interpersonal skills: listen, argue and debate</p> <p>CGB 7. Leadership and teamwork</p> <p>CGB 8. Critical and self-criticism capacity</p> <p>CGB 14. Ability to process and transmit ideas, projects, reports, problems and solutions</p>
Specific competences
<p>CE 2. Find and analyse public information from markets and companies for decision-making processes of investment and financing.</p> <p>CE 3 To understand and to apply the principles and models of business valuation, asset portfolio management, the fundamentals of analysis of investment projects and theories that support the construction of efficient portfolios.</p> <p>CE 5. To know how to integrate and implement the policy of indebtedness and dividends policy in a company.</p> <p>CE7. To understand merger and acquisition transactions and other corporate issues, to recognize the mains reasons that inspire them and to apply the techniques to implement them, also taking into account the risk of failure.</p>

TEACHING AND LEARNING

General methodology characteristics of the course	
Classroom methodology: Activities	Competences
<p>It combines lectures with case presentations and readings by students. During the course of each session will review basic concepts contained in the documentation that students have available before each class, and that they must read in depth to ask the arising doubts during the class session. These concepts should be applied by resolving case studies by the students. During the class session the case studies solutions will be debated, allowing delve into the nature of the problem. It is mandatory active participation of students in both the normal development of the class, and in the discussion of the case study, or the exercises if there to be. The driver shaft of the methodology to be used is the practicality of the concepts and skills covered in the sessions. The usual methodological sequence is as follows:</p> <ol style="list-style-type: none"> 1. Statement of the general framework of the subject by the monitor / teacher. 2. Discussion of the conceptual doubts that students have about the subject, and resolving them 3. Practical use of concepts through the analysis of real or fictitious case studies, and / or exercises. 4. Summary of worked concepts and summary of the main conclusions 	
Methodology - Not in the class: Activities	Competences
<p>The previous study of the documentation for each session, which will be made available to students with sufficient time is required. Analysis and resolution of practical cases, when assigned, which allow the student to make a decision-making exercise like a professional at a financial department of a company. The resolution of the case studies is mandatory and prior to the corresponding session and must be delivered in writing. The resolution of the exercises proposed by the teacher shall be delivered in writing.</p>	

EVALUATION AND GRADING CRITERIA

Types of Evaluation	Criteria	Weight
Exam, public defence, practical cases and Final Presentation (SE1). FINAL EXAM	<u>To pass the subject, the final exam mark must be at least 4,90.</u> Right answers; Organization of information; Synthesis.	15%
Individual Test (SE2). TWO INDIVIDUAL MIDTERM EXAMS	Right answers	10%
Public, individual or group presentations (SE3) FINAL CASE PRESENTATION	Apply instructions and criteria.; Organization of information; Clarity in presentation; Means of support used; Synthesis.	25%
Individual Assignments/Practices/Works (SE4) INDIVIDUAL ASSIGNMENTS/PRACTICES/WORKS, SAME WEIGHT EACH	Apply instructions and criteria; Appropriateness in the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis.	10%
Group Assignments/Practices/Works (SE5) GROUP ASSIGNMENTS/PRACTICES/WORKS SAME WEIGHT PER EACH	Apply instructions and criteria; Appropriateness to the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis <u>Distribution and organization of work.</u> <u>Everyone must participate</u>	15%

Participation (SE6) PARTICIPATION, ACHIEVEMENT OF OBJECTIVES, AND COMMITMENT THROUGHOUT THE CLASSES	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of achievement of objectives, predisposition, commitment and initiative.	25%
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Notes to the evaluation criteria:

1. All students must meet a minimum of 75% attendance in the whole subject.
2. For the exercises, to be taken into account, they must be delivered through Moodle in time and format.
3. If, when combining the criteria, the final grade is equal to or higher than 5, but the minimum grade for the exams or final tests has not been achieved, the final grade will be reduced to a maximum of 4,0 points.
4. In case a student does not obtain a grade of 5,0, the student may take an extraordinary exam. In that case if the student pass the retake exam, his/her final grade in the subject must be a 5,00.
5. If the student does not comply with 70% of the evaluation activities, the weightings of the evaluation system table will not be applied, and the maximum final grade will be 4,0.

Evaluation criteria to apply at second enrolment:

Types	Criteria	Weight
Individual assignments	To pass the course, the student must deliver all the tasks assigned by the teacher	15%
Taking written exams, multiple choice tests, concept tests and solving practical cases as an exam	At least 5,00 points on the final exam, or at least an average of 5,00 on all examination activities.	70%
Participation	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of the achievement of objectives, predisposition, commitment and initiative.	15%

The student enrolled in the subject for the second consecutive year, provided that it is justified by attending work needs, may excuse their attendance to class in a maximum percentage of 65% of the scheduled sessions.

Evaluation criteria to be applied in the case of school waiver/exemption:

In cases of exemption/dispensing from schooling, provided that the student duly justifies it, the grading criteria will be **70% for the exam** (if the subject allows it, two exams will be taken, 35% each) and **30% for individual works**. The individual works will serve to control the evolution of the student's learning. Only in cases in which the student is not able to answer in writing, and provide evidence that justifies it, the exam may be oral and the content of the student's answers will be transcribed.

Criteria in health alert:

The student must be permanently identified, with an identification in the classroom and with their full name remotely. Students should not change the spaces they occupy in the classroom, unless directed by a teacher or the program management.

Failure to comply with any of the health recommendations during the class sessions may imply failure in the subject.

SUMMARY OF STUDENT WORK HOURS							
ATTENDANCE HOURS							
Lectures (AF1)	Content presentation (AF2)	Homework presentation (AF3)	Exercises and assessment (AF4)	Class discussion (AF5)	Seminars, workshops, case studies (AF6)	Interdisciplinary activities (AF7)	Simulations (AF8)

6	2	2	5	10	2,5	0	2,5
NON-ATTENDANCE HOURS							
Study and analysis of documentation (AF9)		Performing assignment and case studies (AF10)		Tutorial sessions (AF11)		Conducting collaborative work (AF12)	
23		14		4		8	
ECTS CREDITS:						3 ECTS	

BIBLIOGRAPHY

Recommended Bibliography

Textbooks

Ross, S. Westerfield, R. Jafe, J. and Jordan, B. (2017) Corporate Finance. Core principles and applications McGrawHill.(Fifth Edition).

Brealey, Richard; Myers, Stewart et ál. (2019), Principies of Corporate Finance Ed. Mc Graw-Hill International. (13ª edition)

Damodaran, Aswath (2012) Investment Valuation: Tools and Techniques for Determining the Value of any Asset. Ed. Wiley. (3rd edition)

Tom Koller, Marc Goedhart, David Wessels (2020) Valuation: Measuring and Managing the Value of Companies, Ed. Wiley Finance (Seventh Edition) esentials of Corporate Finance, Seventh Edition. Ed. McGraw-Hill. Global Edition.

Additional Readings

Gaughan, Patrick A.(2015), Mergers, Acquisitions and Corporate Restructurings, Ed. Wiley (6th edition)

Moeller, Scott and Brady, Chris. (2014), Intelligent M&A. Navigating the Mergers and Acquisitions.Minefield. Ed. Wiley (2nd edition)