



Corporate Finance

Module description .

<p>Module title, ECTS credits (and possibly STADS code)</p> <p>Lecturer: Ali Naef Mohammad</p> <p>Corporate Finance</p> <p>5 ECTS</p>
<p>Location</p> <p>Aalborg university. Aalborg.</p>
<p>Module coordinator</p> <p>Ali Naef Mohammad</p> <p>Helle Kragbæk Nordentoft</p> <p>Arnim Decker</p>
<p>Type and language</p> <p>English</p>
<p>Objectives</p> <p>This course provides an introduction to the theory, the methods, and the concerns of corporate finance. In this course the students will study the main issues in modern corporate finance. The subject ‘corporate finance’ is a well-established discipline, which is concerned with corporations large enough to have issued shares that are ‘quoted’ on a stock market. Corporate finance is a key function in modern industrial and service companies as well as public organisations. Both small and large companies have to use corporate finance if they are to successfully compete in the international market, implement and evaluate strategies, ensure goal achievement and optimal use of resources. corporate finance includes a large number of different activities, such as capital budgeting , investment decision, capital structure, shares valuation , valuation of merger and</p>

acquisition . Bachelor students will inevitably be addressing corporate finance issues both in their future studies and in practice. Understanding the basic concepts on which financial management is based is therefore a prerequisite for working with most business-related problems.

Learning Outcomes :

When you have completed your study of this course you will be able to:

- describe modern principles of corporate finance and evaluate their validity
- rationalise corporate finance decisions in the light of agency problems and conflict of interest among corporations' stakeholders
- analyse firms' investment decisions
- discuss firms' choice of capital structure and its implications for the value of the firm
- examine and discuss the key issues related to dividend policy and their implications for the value of the firm
- critically assess the reasons behind mergers and acquisitions and their welfare implications.

Academic content and conjunction with other modules/semesters

The course is related to other courses, such as management accounting and and of course it has natural links to the course Financial Accounting.

MAIN TOPICS OF THE COURSE:

The course primarily focuses on the following issues:

- Capital Budgeting methods
- Investment Principles and Net Present Value
- Return, Risk, Portfolio and Asset Pricing Models
- Issues in Modern Finance: the CAPM, Efficient Market Hypothesis and Behaviour Finance
- Dividend Policy
- Capital Structure
- Mergers

Scope and expected performance

12 lectures of 2 hours

7 workshops of 2 hours

Participants

Bachelor students at 5th semester (EBA program + top up student)

Prerequisites for participation

The course is recommended for students who have basic background in financial management.

The students on 5th semester are assumed to have a university level course in Financial Accounting before starting corporate finance course.

Module activities (course sessions etc.)

12 lectures of 2 hours

7 workshops of 2 hours

Textbook: Core principles and application of corporate finance. Global edition 2011. ISBN-13: 978-0071221160 ISBN-10: 0071221166

Examination

Written exam

Assessment: 7-point grading scale

Notes: 4 hour written exam

Exam Aid: Open book

Marking Scale: 7-point scale

Exam Evaluation: Teacher

EVALUATION OF LEARNING OUTCOME; ASSESSMENT CRITERIA

Grade 12: The grade 12 will be given to exam papers in which: the students, in a competent way, demonstrate a clear understanding of general as well as specific issues within the subject area of corporate finance - the students show a competent and structured use of models, methods and tools in relation to corporate finance issues - the students, in an independent and structured manner, argue for improvements and developments in connection with the description of specific management accounting issues.

Grade 02: The grade 02 will be given to exam papers in which: - the students are not able to demonstrate a clear understanding of general as well as specific problem issues within the subject area of corporate finance - the students are only able to show an insufficient and unstructured use of models, methods and tools in relation to corporate finance issues - the students are only able to provide insufficient arguments for improvements and developments in connection with the description of specific corporate finance issues.