

AMFM-2425-502-Corporate Finance and Valuation

Name of lecturer(s) & Email Benjamin LORENT benjamin.lorent@ulb.be	Level/Semester, Status, Timing Semester 1 Compulsory Between 17-09-24 and 05-11-24	ECTS*, CH & SDL** 3 24 66		
Description of the course <p>This course articulates the principles, tools, and techniques to assess investment and financing decisions made by firms, in their intricate relationship with financial markets. Referring to the arbitrage principle in financial decision-making, the course begins with the key foundations of finance, the principles of valuation in general, and the understanding of the required return given a level of risk.</p> <p>The second part is devoted to the valuation of various asset classes, projects, and firms, covering topics such as the arbitrage principle in financial decision-making, time value of money, interest rate management and bond portfolio management, project valuation, capital markets, and the price of risk. Participants will be provided with reading material and videos for each subject (Highly recommended) and will work on exercises for each theme in small groups to be covered in class.</p>				
Course units <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> 1. Introduction to Financial Statements 2. Financial Statements Analysis 3. Time Value of Money 4. Bond Valuation 5. Interest Rates </td> <td style="width: 50%; border: none;"> 6. Capital Budgeting and Project Valuation 7. Risk-Return 8. Cost of Capital and Capital Structure 9. Financial Options </td> </tr> </table>			1. Introduction to Financial Statements 2. Financial Statements Analysis 3. Time Value of Money 4. Bond Valuation 5. Interest Rates	6. Capital Budgeting and Project Valuation 7. Risk-Return 8. Cost of Capital and Capital Structure 9. Financial Options
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Course Learning Outcomes (CLOs) <ul style="list-style-type: none"> • Gain insight into the strategy of a firm through its financial statements • Perform a financial analysis • Identify the purposes of the cash flow statement • Compute the value of companies, major financial assets (stocks, bonds, options), and projects • Make a choice between different investment projects • Assess risk and link it to expected returns • Analyze the impact of capital structure on company value • Estimate the cost of capital for companies with different financial structures 				
Prerequisite (if any) Basic financial accounting principles, basic statistics principles and basic use of Excel				
Contribution to Programme Learning Objectives (PLOs)** <ul style="list-style-type: none"> • Learning Objective 1.1: Mastery • Learning Objective 2.1: Not Covered • Learning Objective 3.1: Introduction • Learning Objective 4.1: Not Covered • Learning Objective 5.1: Mastery 	Evaluation scale 0-20			
Main Teaching methods used in the course Lecture, Interactive Lecture, Direct Instruction, Problem-based learning				
Contribution to the Environmental, social and governance (ESG) Course Contribution to ESG: No Contact Hours are dedicated to ESG: 0 Contact Hours containing climate solutions for how organisations can reach net zero: 0 Description of contribution: 0				

Notice: The information available in the course outline is subject to change. Please keep yourself informed at all times by regularly checking Canvas.

*ECTS - European Credit Transfer and Accumulation System (1 ECTS = 30 hours of learning)

**CH - Contact Hours in class or online, SDL - Self-Directed Learning including readings, homework, group work, preparation to assessment, etc

***PLO - Programme Learning Objectives are available on the curriculum page

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Assessment methodology / Learners Use of Time and Load

Written Exam

- weight 70%
- workload estimated = 50 hours
- due 04/11/24
- **Guidelines:** Closed book exam (Formula Sheet and pocket calculator allowed)

Group Assignment

- weight 30%
- workload estimated = 6 hours
- due 27-10-24
- **Guidelines:** In a group of three participants, you will need to analyze the financial statements of a company.

Readings

Required

- Berk J. & De Marzo P., (2023), Corporate Finance, 6th edition, Pearson (BDM on Canvas)

Recommended

- Berk J. & De Marzo P., (2023), Corporate Finance, 6th edition, Pearson (BDM on Canvas)
- Brealey R.A., Myers S.C. & Allen F., (2023), Principles of Corporate Finance, 14th edition, Mc Graw Hill.
- Ross S., R. Westerfield, J. Jaffe & B. Jordan (2022), Corporate Finance, 13rd edition, Mc Graw Hill.

Other Learning Materials (Coursera For Campus modules available in Canvas)

- [Accounting: Principles of Financial Accounting](#) (IESE Business School)
- [Introduction to Corporate Finance](#) (University of Pennsylvania)
- [Statistics for International Business](#) (part of International Business Essentials Specialization)

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