UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Corporate Finance

2324-3-E4101B020

Learning objectives

The course aims to introduce students to corporate financial decisions in ordinary and extraordinary business.
The financial statements of individual enterprises, partnerships, corporations, and groups, including listed ones, will be analysed. Having identified the financial needs of SMEs and large companies, the financial instruments offered by the market will be evaluated.
In the course, after an introduction on the various types of companies with their financial needs and their different governance, the keys to reading company financial statements will be presented with a view to assessing performance from a financial point of view; the principles of corporate finance will be illustrated, the notions useful to understand the investment and financing decisions of companies.
The final part of the course will deal with companies in financial crisis and how to reorganise them.
Attendance and active participation in the proposed training activities as well as individual study will enable students to acquire knowledge of the fundamental models of corporate finance and to understand the key mechanisms underlying business choices in the areas of financial analysis and planning and investment decisions.
At the end of the course, students will be able to analyse and evaluate the financial balance of a company and investment and financing choices, identify the right balance between risk and return and estimate the correct cost of capital for the company. Students will also have an ability to evaluate the various financial instruments offered by the market according to business needs.
During the course, it will be possible to participate in group work aimed at putting into practice what the students have learnt directly.

Contents

The course introduces the analysis of investments to assess their economic feasibility. It includes the study of the various financial instruments available on the market in order to understand what the optimal financial structure is for undertaking certain business choices. The interdependencies between financing and investment choices and company performance will be highlighted.

Detailed program

- Companies: capital structure and governance
- Ordinary/extraordinary financial requirements
- The balance sheet and its analysis
- The financial instruments offered by the market
- Interest rates, dividends, bonds, equity and loans
- The criteria for choosing investments
- The basics of capital budgeting
- Financial criteria and methods of company valuation
- Extraordinary financial transactions (mergers, spin-offs, transfers of companies and shares, leverage buy-outs)
- Financial management in groups: national and international holding companies, trusts, foundations and foreign subsidiaries
- Estimating the cost of capital and treasury management
- The internal and external control bodies of corporate finance: avoidance, evasion and financial crimes
- Corporate crises and reorganisation procedures
- Case studies, research, focus groups: "strategic finance management in family businesses"

Prerequisites

The module has no propaedeuticity. It is suggested that you have passed the Microeconomics exam.

Teaching methods

Lectures, applications and discussion of some business cases. In addition, testimonials from professionals from various fields related to corporate finance in both the national and international context.

Assessment methods

The assessment of the learning outcomes involves a written exam that is compulsory. The exam is structured in four open questions. Three of which relate to theoretical topics covered in the classroom and one to one of the testimonies planned during the course. Therefore, classroom presence during the above-mentioned testimonies is strongly recommended, also because a comment on the same testimony will be asked during the test. However, by doing the group work, only two of the four open questions need to be answered in the exam. The group work is 50% of the final grade. The duration of the test examination is one hour. The exam programme for non-attending students coincides with that for attending students.

Textbooks and Reading Materials

D. Hillier, S. Ross, R. Westerfield, et al., Corporate Finance, McGraw-Hill, 2023, fourth Italian edition.

Teaching materials by the lecturer available on the e-learning platform dedicated to teaching.

Semester

First semester.

Teaching language

Italian.

Sustainable Development Goals

INDUSTRY, INNOVATION AND INFRASTRUCTURE