UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Corporate Finance

2425-2-F7702M062

Learning objectives

The course provides the fundamental skills for the financial analysis of the company in order to verify its financial sustainability and value creation. Students will be able to analyze the main financial problems of modern companies operating in global markets, through the use of appropriate tools and methodologies. The course, in fact, provides the necessary knowledge to evaluate the different financial decisions and their influence on company performance.

Contents

The course presents the main decision making profiles that company's financial function supervises, with particular reference to industrial and service companies operating in international markets.
After addressing the issue of corporate governance and conflicts of interest, the course analyses:

1. The investment decisions. We introduce, also through practical exercises, the basic methodological tools of the discipline (financial analysis, financial planning, etc.) to determine the risk and return of an investment, as well as capital budgeting evaluation.
2. The financing decisions and the optimal financial structure
3. Firm's valuation

Detailed program

The course detailed program is the following:
• Industrial and service firm financial function;
• Corporate Governance and confilict of interests

• Investment Decisions
• Accounting financial analysis;
• Cash flows analysis;
• Financial planning;
• Capital Asset Pricing Model:
• Firm's cost of capital
• Capital Budgeting
• Modigliani & Miller theory (M&M)
• Optimal corporate financial structure
• Valuation: principle and practice

Prerequisites

Basic background of financial mathematics and business accounting

Teaching methods

The course consists of 42 hours (6 CFU) of face-to-face lectures
For attending students the course includes several work group activities related: i) to the analysis of firms' financial problems and the evaluation of financial decisions; ii) the presentation of the results obtained. This activities contribute to developing problem solving skills and improving communication skills in the financial field.

Assessment methods

The final evaluation is done with a written examination with also an oral integration:

1. 10 multiple choices
2. two open questions
3. a mandatory oral integration

Attending student could participate into group work activities, with specific instructions from the teacher

Textbooks and Reading Materials

Damodaran A. (2014) Applied Corporate Finance, 4th edition Wiley (Ch. 1-8; 10;12)
Brealey R., Myers S. and Allen F. (2020), Principle of Corporate Finance, 13rd edition, McGrawHill (1; 5-16; 19; 33)
Watson D., Head A., Mantovani G., Rossi E., Corporate Finance. Principles and Practice in Europe, Pearson Italia, 2017. (Ch. 1-10)

Semester

Second semester

Teaching language

English

Sustainable Development Goals