UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Corporate Finance

2425-1-F1601M052

Learning objectives

The course aims to develop basic knowledge and skills necessary to operate as a financial analyst professional in the investment community or as a financial manager in the corporate sector.

Beyond basic principles of the discipline, the course will focus on more specific topics, namely business valuation, merger & acquisitions problems and IPO that can help students complete their competences on private equity or corporate banking professional world.

Contents

The course is based on two main parts.

The first one deals with corporate finance basics covering topics from traditional accounting financial analysis to cost of capital and Modigliani Miller Theorems.

The second part focuses on more advanced topics considering business valuation methods and mergers and acquisitions

Detailed program

First Part:

Corporate Finance basics:

Industrial and service firm financial function;

Traditional financial analysis (*accounting driven*);

Cash flows analysis;

Financial planning ;

"Value driven" financial analysis;

Hidden assets: Goodwill and intangibles asset;

Corporate cost of capital; Modigliani & Miller theorems (M&M);

Optimal corporate financial structure

Second part:

Firm and business valuation:

Discounted cash flow method;

Asset side method (*enterprise value method);*

Equity side method;

Relative valuation with equity multiples;

Equity side multiples;

Asset side multiples

Advanced Corporate finance topics:

Mergers & Acquisitions (M&A) and corporate external growth; *Takeover process*: basic principles;

Empirical evidence on M&As: what we can learn from financial markets;

M&A fundamentals: acquisition premium and synergies;

External growth dilution effect ;

M&A *funding*;

M&A financial planning.

Prerequisites

Basic knowledge of accounting.

Basic knowledge of statistics and financial mathematics

Teaching methods

Teaching method are the folowing:

Face-to-face lectures (40 hours)
Recorded lectures (delivered on line) (16 hours)

Case studies are discussed in order to apply theoretical concepts of the course programme

Assessment methods

The final examination is a written exam including five open questions. The maximum grade for each question is 6 points.
Evaluation criteria:

- how the student responds in a complete way to the question
- how the student avoids significant technical errors in his/her reasoning
- coherence of the answer relative to issue involved in the question
- how the student uses a correct technical language in his/her replies

The final grade is the sum of the grades obtained in each question.

Textbooks and Reading Materials

First part:

D. Watson, A. Head, G. Mantovani, E. Rossi, Corporate Finance. Principles and Practice in Europe, Pearson Italia, 2017.

Second part:

A. Damodaran, Damodaran on Valuation. Security Analysis for Investment and Corporate Finance, 2nd Edition, John Wiley and Sons, 2006.

Slides and readings posted on the course web pages.

Semester

First semester

Teaching language

Italian

Sustainable Development Goals

INDUSTRY, INNOVATION AND INFRASTRUCTURE