UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Corporate Finance And Financial Analysis - 2

2526-2-E1803M104-T2

Learning objectives

The course introduces the fundamentals of the discipline by reviewing the core principles of corporate finance theory necessary to understand how finance operates within non-financial firms.

In terms of **knowledge and understanding**, students will:

- acquire a solid theoretical foundation on key concepts of corporate finance (such as capital structure, cost of capital, net present value, risk and return, etc.);
- develop greater awareness of the financial issues faced by firms in their relationship with the banking system, with particular attention to the perspective of the bank's client.

In terms of **applying knowledge and understanding**, by the end of the course students will be able to:

- critically analyze major corporate financial decisions, also through basic quantitative tools;
- interpret the dynamics of the bank–firm relationship, assessing financial strategies and choices based on real or simulated cases;
- use the acquired concepts to understand the logic behind funding requests and the evaluation processes carried out by financial institutions.

Transversal skills:
Independent judgment: Through exercises and case studies, the student will develop the ability to independently evaluate and analyze.corporate finance issues

Contents

The course aims to develop basic knowledge and skills necessary to operate as a financial manager in the

corporate sector.

The course will focus on classic principles of the theory of corporate finance from corporate cost of capital to Modigliani & Miller theorems and optimal capital structure.

Detailed program

The course develops the following program:

Industrial and service firm financial function;

Accounting financial analysis;

Cash flows analysis;

Financial planning ;

Hidden assets: Goodwill and intangibles asset;

Capital budgeting;

Capital Asset Pricing Model:

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

Optimal corporate financial structure,

Prerequisites

Basic knowledge of accounting.

Basic knowledge of statistics and financial mathematics

Teaching methods

Teaching method are the following:

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 assessment method in the classe T1 (in which participants are divided according to the first letter of their surname: namely, letters A-Lh)) is a written exam with the following structure:

1. a set of closed end questions (multiple choice)
2. two open questions
3. one numerical exercise in which students apply and solve a given corportate finance problem.

Textbooks and Reading Materials

D. Watson, A. Head, G. Mantovani, E. Rossi, *Corporate Finance. Principles and Practice in Europe*, Pearson Italia, 2017. Ch. 1-11

Semester

Second semester

Teaching language

Italian

Sustainable Development Goals

INDUSTRY, INNOVATION AND INFRASTRUCTURE