UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Corporate Finance

2526-3-E3303M022-E3303M027M

Learning objectives

1. Knowledge and understanding
At the end of the course, students will have acquired an in-depth understanding of the financial function in industrial and service companies, corporate governance mechanisms, and the management of conflicts of interest. They will be familiar with the main theoretical and operational tools for financial analysis, investment evaluation, financial planning, and defining an optimal financial structure.

2. Applying knowledge and understanding
Students will be able to apply financial models and tools (such as the CAPM, capital budgeting techniques, and Modigliani & Miller theorems) to real business scenarios. They will interpret financial statements, develop cash flow projections (both historical and forecasted), prepare pro forma financial statements, and evaluate the sustainability of investments.

3. Making judgements
Students will develop the ability to make autonomous and well-founded judgements regarding corporate investment and financing decisions, considering both financial constraints and ethical and sustainability implications. They will be able to assess the impact of financial decisions on the overall equilibrium of the company.

4. Communication skills
Students will be able to communicate financial analysis and economic evaluations clearly, effectively, and with appropriate technical language, including through reports and presentations. They will interact confidently with both specialist and non-specialist audiences, adapting their communication style to the professional context.

5. Learning skills
Students will develop autonomous learning abilities, enabling them to continuously update their knowledge in corporate finance, governance, and sustainability, especially in evolving professional contexts and in response to changing regulations and market practices.

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 and sustainable and responsible investments
Financing Decisions
Modigliani & Miller theory (M&M)
Optimal corporate financial structure
Valuation: principle and practice

Prerequisites

Basic background of financial mathematics and business accounting

Teaching methods

blended elearning
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 optional oral at the request of the teacher or student) composed by three parts:

1)10 multiple choice questions (3 points for each correct answer, maximum grade 30/30): for the extensive monitoring of the preparation of the examination programme

2)1 open question (maximum grade 30/30): for intensive monitoring of autonomous thinking on critical points of the programme

3)1 open question or an exercise (maximum grade 30/30): as control of disciplinary problem solving skills

The final grade is given by the simple average of the grade of all the three exam parts.

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

Italian

Sustainable Development Goals

QUALITY EDUCATION | GENDER EQUALITY | DECENT WORK AND ECONOMIC GROWTH | INDUSTRY, INNOVATION AND INFRASTRUCTURE | PEACE, JUSTICE AND STRONG INSTITUTIONS