UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

# SYLLABUS DEL CORSO

# Corporate Finance

**2627-1-F1602M007-F1602M007-1**

## 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. Accounting and corporate finance topics are duly discussed accross the course

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

## Contents

The course is based on two modules.

The first one deals with corporate finance basics covering topics from traditional accounting financial analysis to cost of capital and Modigliani Miller Theorems. The module focuses also on more advanced topics considering business valuation methods and mergers and acquisitions.

The second module adresses more advanced accounting topics, such as the main difference between international and domestic accounting principles and the hedging accounting standards.

## Detailed program

Corporate Finance Module

**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 and Miller theorems (MM);

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 and Acquisitions (MA) and corporate external growth; *Takeover process*: basic principles;

Empirical evidence on MAs: what we can learn from financial markets;

MA fundamentals: acquisition premium and synergies;

External growth dilution effect ;

MA *funding*;

MA 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

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

Modulo di Corporate Finance:

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