UNIVERSITY OF SKÖVDE

TRANSLATION FROM SWEDISH

COURSE SYLLABUS

Corporate Finance Management G1F

7.5 credits

Course code: FÖ338G
Version number: 5
Valid from: 1 January 2024
Ratified by: Curriculum Committee for Business
Date of ratification: 4 April 2023

1. General information about the course

The course is provided by the University of Skövde and is named Corporate Finance Management G1F (Finansiell styrning G1F). It comprises 7.5 credits and is a first-cycle course. The level of progression is G1F.

The course is a part of the main field of study in Business Administration. The disciplinary domain of the course is Social Sciences.

2. Entry requirements

The course has the following entry requirements: passed FÖ149G Costing and Budgeting G1N and (passed NA124G Microeconomics G1N or passed NA123G Macroeconomics G1N (or the equivalent).

3. Course content

The content of this module is divided into following subjects, financial markets and institutions, capital bugeting, financing, modern portfolio theory, option theory, and investment decisions.

A brief presentation of financial markets and instituions is followed by an introduction of net present value (NPV) method which will be applied on valuation of investments on financial assets as well as real assets. Next, a number of alternative methods of investment appraisal in the abcens of risk is discussed. A thorough comparison of NPV and IRR is included in this part.

A basic introduction of modern financial theories that model the relationsship between risk and return makes the groud for studies of captial budgeting with regard to the risk involved into individual investment projects.

A firm's financing, that is capital structure, consists mainly equity capital and loan. The impact of an specific choice of capital structure on the firm's total value is discussed. The relationship between firm's value and the choice of captial structure is analysed, given different sets of assumptions, based on the approach suggested by Miller and Modigligani.

Option theory is presented on a basic level and the binomial method is used for calculation of option prices. Black and Scholes option pricing model is also presented and discussed. Moreover option thoughts are applied on the option opportunities that raises in association to investment and financing.

This course is ended by a discussion around the procedures that precede mergers and acquisitions.

4. Objectives

At the end of this course a student should be able to;

- Discuss the role of different financial institutions and features of different finansial instruments,
- Apply a number of competing standard methods in order to critically value investments on financial assets as well as real assets, and also valuation of different financing alternatives,
- understand the relationship between risk and return that is described by a set of modern financial theories, and their application on investment and financing decisions and
- Introductory knowledge of option theory and its application on a real option opportunity related to investment and financing decisions.

5. Examination

The course is graded A (Excellent), B (Very good), C (Good), D (Satisfactory), E (Sufficient) or F (Fail).

There will be a written final examination.

The examinations of the course consist of the following modes of assessment:

- **Written examination**
  7.5 credits, grades: A/B/C/D/E/F

Students with a permanent disability who have been approved for directed educational support may be offered adapted modes of assessment.

6. Types of instruction and language of instruction

The teaching approach will be in the form of class room lectures and whenever applicable there will be exercise and laboratory sessions.

The teaching is conducted in English.

7. Course literature and other educational materials

Brealy, R., Myers, S.C., Allen, F. & Edmans, A. (2022). *Principles of Corporate Finance* (14th edition). McGrawHill. ISBN 9781265074159.

8. Student influence

Student influence in the course is ensured by means of course evaluation. The students are informed about the results of the evaluation and potential measures that have been taken or are planned, based on the course evaluation.

9. Additional information

Further information about the course, as well as national and local governing documents for higher education, is available on the website of the University of Skövde.