

Syllabus

for course at first level

Corporate Finance

Företagsfinansiering

7.5 Higher Education

Credits

7.5 ECTS credits

Course code:	FE3129
Valid from:	Spring 2014
Date of approval:	2013-12-02
Department	Stockholm Business School
Main field:	Företagsekonomi
Specialisation:	G1F - First cycle, has less than 60 credits in first-cycle course/s as entry requirements

Decision

This syllabus was approved by the Academic Dean at Stockholm University School of Business on 2013-12-02.

Prerequisites and special admittance requirements

45 HE credit points completed from Business Administration I and Business Administration II, or the equivalent.

Course structure

Examination code	Name	Higher Education Credits
3122	Corporate Finance	7.5

Course content

The course focuses on exploring the relevance of the objectives of Corporate Finance in the context of practical corporate decisions that managers of finance are faced with.

Moreover, students will carry out an applied company analysis for the purpose of corporate valuation by linking issues of corporate finance to various aspects of the financial markets.

This course focuses on concepts and theories of corporate finance and the analytical techniques used to value projects and assets.

The topics covered in corporate finance are capital budgeting and investment decisions, analysis of questions such as where and how to raise the funds for corporate investments (the financing decisions) and how much of the firm's profit should return to the owners (the dividend decision). The final part covers models for company valuation with emphasis on discounted cash flow models thereby determining relevant cash flow and adequate cost of capital.

Learning outcomes

The overall aim of the course is to link issues of corporate finance to the firms' decisions and actions from both a theoretical and a practical perspective.

Upon completion of the course, students should be able to:

Knowledge and understanding

1. Describe concepts, models, theories, and research methods in corporate finance.
2. Understand the principles and purpose of corporate finance and its importance for decision-making.

Skills and abilities

3. Perform and interpret a company analysis by linking issues of corporate finance to various aspects of the financial markets.

Judgement and approach

4. Critically reflect on how procedures, concepts, models, and theories in corporate finance influence the decisions of management.
5. Evaluate different forms of company valuation, corporate financing, and capital budgeting from a theoretical and practical perspective.

Education

The course consists of a combination of lectures, seminars and group work and requires a significant portion of self-study on the part of students. Assessment for the course will be continuous and is carried throughout the different activities of the course.

The course workload (model: 40 hours per week equivalent to 1,5 ECTS) is allocated as follows:

Teacher-led lectures: 20 hours

Teacher-led seminars: 8 hours

Teacher-led case seminars: 4 hours*

Group work for case seminars: 40 hours

Self-studies: 124 hours**

Assessment: 4 hours

Total workload: 200 hours equivalent to 7,5 ECTS.

The language of instruction is English.

Please note that all teaching and learning activities - such as lectures, seminars, assignments and assessment tasks – are carried out in English when the language of instruction is English.

* Including assessment for case seminar assignments and peer reviewing

** Self-studies comprise: Textbooks studies, preparation of lectures, preparation of calculation exercises, self-study exercises, and self-study online exercises.

Forms of examination

Assessment for the course will be continuous and is carried throughout the different course activities. Each assessment task is weighted in relation to its importance in the overall assessment of the course. The student's results from the different assessment tasks are added up to a total course score that will then translate into the final grade for the course.

Assessment tasks

The course contains the following weighted assessment task:

1. Individual final exam: assesses intended learning outcomes 1, 2, 3, 4, 5; constitutes 80% of total course points.

2. Case Work: assesses intended learning outcomes 3, 4; constitutes 20% of total course points.

Grading

After completion of the course, students will receive grades on a scale related to the intended learning outcomes of the course. Passing grades are A, B, C, D and E. Failing grades are Fx and F. A grade Fx can be completed for a grade E.

A course comprises 0–100 course points. Receiving a final passing grade requires ≥ 50 course points. The scale for the final grade is tied to fixed score intervals: A: 90-100; B: 80-89; C: 70-79; D: 60-69; E: 50-59; Fx: 45-49; F: 45. The grades correspond to the total score points a student obtains (over a total of 100) for all the weighted assessment tasks combined as part of the continuous assessment for the course.

Each assessment task is awarded 0–100 points. The score for a single assessment task is the number of points multiplied by its percentage weight, and the combined total of score points for all weighted assessment tasks for the course are added up to a final score between 0 and 100 which then translates into a corresponding final course grade between A and F.

Assessment task 1 is assessed on a 100-point scale.

Assessment task 2 is assessed on a 100-point scale in three intervals:

- Pass with distinction: 80% = 100 points.

- Pass: 50% = 50 points.

- Weak: 50% = 0 points.

The student is responsible for completing the course's assessment tasks: that a sufficient amount of course points is earned and a passing course grade is obtained. The course's final assessment task can be taken twice: 1) during the course's first scheduled occasion; and, if a passing result (≥ 50 course points) was not achieved at the first occasion, 2) at the course's second, scheduled occasion. All other assessment tasks are offered once during the course.

A passing grade (A–E) in the course is obtained when a student has achieved ≥ 50 course points.

A failing grade (Fx or F) in the course is obtained when a student has not achieved ≥ 50 course points:

- If 45–49 course points are achieved, a grade Fx is obtained, which can be completed for a grade E within 3 semester weeks after receiving instructions from the course director. If a complementary task is not completed within this time limit, and the course's two final assessment tasks have been accomplished, the course grade Fx is confirmed, implying that the student must re-register for the course and that previously acquired course points are forfeited. Note that first-time registered students have priority access to the seminar groups.

- If 45 course points are achieved, a grade F is obtained, implying that the entire course must be retaken and that previously acquired course points are forfeited.

Re-registration implies that:

- first-time registered students have priority access to the course's group registration;

- the final assessment task can be re-assessed without attendance at any of the course's other learning activities and without points from the course's other assessment tasks accredited.

Students receiving a passing grade may not retake the final examination or complete a previously not completed assessment task to attain a higher grade. A passing grade may not be turned into a failing grade upon the request of a student.

Assessment criteria

Assessment criteria are designed as overall assessments, combined qualitative descriptions of what the student is expected to do in order to demonstrate how well the course's learning outcomes are achieved. The assessment criteria are based upon the general abilities as expressed in the degree objectives of the Higher Education Ordinance (appendix 2, System of Qualifications). The list of abilities below is a compilation of these degree objectives. To pass the course (grade E) students should demonstrate general ability to:

- recall, understand and explain course content, the course subject and its scientific basis and methodology;
- apply course content;
- critically analyse course content;
- problematise course content;
- orally and in writing, present and discuss course content;
- assess course content in terms of scientific, social, and ethical aspects;
- meet standards of written presentation and formal accuracy.

The following assessment criteria are used to decide to what extent students have demonstrated these abilities and hence fulfil the course's intended learning outcomes, whereby a grading decision can be made. A higher grade-level presupposes the abilities at lower levels.

A (Excellent)

The student demonstrates ability to evaluate and relate to the content of the course from a comprehensive, critically reflective perspective, as well as to transfer and apply insights in new, meaningful contexts.

B (Very Good) ☐

The student demonstrates ability to, from an overarching and coherent perspective of the field, understand and use concepts to explain how different aspects of the course relate to each other, interconnect and become meaningful.

C (Good) ☐

The student demonstrates ability to discuss the content, tasks and complex issues dealt with in the course from several well-developed but mainly independent perspectives.

D (Satisfactory) ☐

The student demonstrates satisfactory ability to discuss the content, tasks and complex issues dealt with in the course in a way that, albeit in-depth and elaborate, is decidedly one-dimensional.

E (Sufficient) ☐

The student demonstrates sufficient ability to discuss the content, tasks and complex issues dealt with in the course in a way that is decidedly one-dimensional.

Fx (Fail) ☐

The student's knowledge, skills and abilities display minor flaws, overall or in significant parts.

F (Fail) ☐

The student's knowledge, skills and abilities display major flaws, overall or in significant parts.

Interim

If the course is discontinued, or its contents are substantially altered, students have the right to be examined according to this syllabus once per semester for three further semesters.

Limitations

This course may not be included in a degree together with a course, taken in Sweden or elsewhere, of identical or partially similar content.

Required reading

Required Reading

Aswath Damodaran (2003), Corporate Finance – Theory and Practice, Wiley, 2nd edition.

A selection of academic articles (updated each semester, see the study guide).