

# Syllabus

for course at first level

**Financial Accounting and Corporate Finance**  
**Affärsredovisning och företagsfinansiering**

**15.0 Higher Education Credits**  
**15.0 ECTS credits**

<b>Course code:</b>	FE3024
<b>Valid from:</b>	Spring 2014
<b>Date of approval:</b>	2013-12-02
<b>Department</b>	Stockholm Business School
<b>Main field:</b>	Företagsekonomi
<b>Specialisation:</b>	G1F - First cycle, has less than 60 credits in first-cycle course/s as entry requirements

## Decision

This syllabus was approved by the Undergraduate Studies Committee (Grundutbildningsnämnden) at School of Business on 2008-06-09, last revise 2013-12-02.

## Prerequisites and special admittance requirements

## Course structure

Examination code	Name	Higher Education Credits
CASE	Case-task	3
COFI	Corporate Finance	6
FIAC	Financial Accounting	6

## Course content

The course focuses on exploring the relevance of the objectives of Financial Accounting and Corporate Finance in the context of practical corporate decisions that managers of accounting and finance are faced with. Moreover, students will carry out a thorough applied company analysis for the purpose of corporate valuation by linking issues of financial accounting to decisions in corporate finance.

This course focuses on concepts and theories in financial accounting and corporate finance based on an integrated perspective. The topics covered in financial accounting are financial accounting standards, financial statements and financial analysis.

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

Intended Learning Outcomes

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

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

#### Knowledge and understanding

1. Describe accounting standards, concepts, models, theories, and research methods in financial accounting and corporate finance.

#### Skills and abilities

2. Apply specific accounting standards to record financial transactions

3. Perform and interpret a company analysis (comprising an accounting & financial analysis and a company valuation)

#### Judgement and approach

4. Critically reflect on how procedures, concepts, models, and theories in financial accounting and 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: 40 hours

Teacher-led calculation seminars: 16 hours\*

Teacher-led case seminars: 6 hours

Group work for case seminars: 72 hours

Self-studies: 258 hours\*\*

Assessment: 8 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 multiple choice quizzes.

#### **Forms of examination**

##### Assessment tasks

Assessment for the course will be continuous and is carried throughout the different activities of the course. The course contains the following three assessment tasks:

1. Individual examination, Financial Accounting (6 ECTS)

2. Individual examination, Corporate Finance (6 ECTS)

3. Case assignment, group work (3 ECTS)

Assessment tasks 1 and 2 are assessed on a 100-point scale.

A: 90-100; B: 80-89; C: 70-79; D: 60-69; E: 50-59; Fx: 45-49; F: 45. 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.

- 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.

Assessment task 3, the group based case-assignment, is assessed on a pass or fail basis. A non-approved assignment can be supplemented for a passing grade during the current semester. If you fail you need to do a new assignment.

In order to receive a passing grade for the course, these are the requirements:

- Completed compulsory seminars and written assignments.

- A grade of E or higher on the final written examinations in both Financial Accounting and Corporate Finance. The final grade is a weighting of these two grades.

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**

Prescribed Reading

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

Derry Cotter (2012), *Advanced Financial Reporting: A Complete Guide to IFRS*, Financial Times/Prentice Hall, 1st edition.

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