

Syllabus

for course at first level

Financial Accounting and Corporate Finance
Affärsredovisning och företagsfinansiering

15.0 Higher Education Credits
15.0 ECTS credits

Course code:	FE3024
Valid from:	Autumn 2015
Date of approval:	2013-12-02
Changed:	2015-08-13
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 Undergraduate Studies Committee (Grundutbildningsnämnden) at School of Business on 2008-06-09, revised 2013-12-02, revision 2014-12-19, last revision conducted 2015-08-11.

Prerequisites and special admittance requirements

Course structure

Examination code	Name	Higher Education Credits
3021	Financial Accounting and Corporate Finance	15

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 the following topics:

- Concepts and theories in financial accounting and corporate finance based on an integrated perspective
- Financial accounting standards
- Financial statements
- Financial analysis
- Capital budgeting and investment decisions
- 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);
- Models for corporate 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 and 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 is 400 hours equivalent to 15 ECTS (40 hours per week equivalent to 1,5 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.

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 tasks:

1. Individually written exam in financial accounting: assesses intended learning outcomes 1–4; constitutes 40% of total course points.
2. Individually written exam in corporate finance: assesses intended learning outcomes 1, 3, 4, 5; constitutes 40% of total course points.
3. Case work: assesses intended learning outcomes 2–4; 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.

All assessment tasks are assessed on a 100-point scale. 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.

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 two final assessment tasks 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, second edition.

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