

MSCIFM_ACF02 Advanced Corporate Finance

24.11.2021

General Information

Module Code	W.MSCIFM_ACF02.16
Programme	Master of Science in International Financial Management
Type of Module	Minor module in foundation
Level of Module	Advanced
ECTS Credits / Workload	3 ECTS Credits (90 hours)

Module Dependencies

Pre-requisites	We strongly recommend to take in advance: W.MSCIFM_FEM01.13: Financial Environment in International Markets – Tax, Law and Finance
Follow-up modules	W.MSCIFM_CIF02.14: Current Issues in International Finance

Module Aims

The module Advanced Corporate Finance uses the tools introduced in introductory courses to study a range of selected problems in corporate finance at an advanced level. This module focusses largely on generating an understanding of what financial managers do and why, what measures they have, what theories underlie their daily business and how these translate into practice. Students will be able to understand the tasks, problems, functions, and characteristics of financial theory, of funding and investments, and of financial risk management.

Learning Outcome

Students

- master various aspects of real-life complications in capital budgeting problems.
- understand the impact of various financial instruments with credit risk and options embedded in the cost of capital.
- assess and evaluate different dividend policy strategies, performance measurements and incentive schemes.
- foster their knowledge of the efficient capital market theory and acknowledge its importance for real-life decision making.

	Importance	Relevant NQF-Descriptors
Subject knowledge and skills: Students develop and gain knowledge in the field of Advanced Corporate Finance.	high	knowledge
Problem-solving: -	-	
Methodology: Students gain knowledge especially of the following methods and are able to apply, use and evaluate their concepts: advanced capital budgeting, capital structure and the cost of capital, dividend policy, efficient capital markets, country risk analysis & international cash management, FX risk management.	medium	knowledge; judgement
Communication: Students argue in a constructive and factual way; they analyse the source of potential conflicts, perceive and solve them in a constructive way.	medium	judgement; communication
Social skills: Students apply their personal and individual resources in teams; they analyse and discuss problems in teams, by considering, evaluating, substantiating and refuting a variety of different arguments; they critically and appreciatively evaluate working results of peers.	low	judgement; communication; learning autonomy
Self-related skills: Students study and work independently, recognise gaps in their knowledge and fill these gaps independently; they critically reflect work and thought processes and develop possible courses of action; they reflect and challenge personal and external judgments and develop these with regard to the assignment.	low	judgement; learning autonomy

Content Outline

Payout Policy and Capital Structure

- Payout Policy
- Does Debt Policy matter?
- How much should a corporation borrow?
- Financing and Valuation

Options

- Understanding Options
- Valuing Options
- Real Options

Debt Financing

- Credit Risk and the Value of Corporate Debt
- The many different kinds of Debt
- Leasing

Risk Management

- Managing Risk
- Managing international Risk

Financial Planning and Working Capital Management

- Financial Analysis
- Financial Planning
- Working Capital Management

Teaching and Learning Methods

Contact Hours seminar; exercises; case studies

Directed Study individual work; partner work; compulsory reading

Workload

Contact Hours 42 lessons / 31.5 hours (35%)

Directed Study 12 lessons / 9 hours (10%)

Private Study 49.5 hours (55%)

Assignments and Assessments

Assessment Type	Quantity	Weight	Form	Evaluation Type	Time
Written examination	90 minutes	100%	open book	grades	end of semester