Corporate finance

ECTS : 6

Description du contenu de l'enseignement :

This course examines important issues in corporate finance from the perspective of financial managers who are responsible for making significant investment and financing decisions. The concept of net present value, suitably adapted to account for taxes, uncertainty, and strategic concerns, is used to analyze how investment and financing decisions interact to affect the value of the firm. The course covers topics such as capital structure, cost of capital, capital budgeting in the presence of uncertainty, payout policies.

The primary purpose of this module is to provide an integrated overview of the most important concepts in Corporate Finance, both in theory and in practice. The subject extends the student's knowledge about the context in which corporations operate. While the course is not designed to dwell on abstraction, the basic theoretical underpinnings of the various topics are a prerequisite to competent analysis and intellectual discussion. We emphasize the development of problem-solving skills based on a good understanding of the business environment as opposed to pure theorizing. Because of the practical importance of the material and as an illustration of the relevant theory, we will discuss examples and cases.

Compétence à acquérir :

- After completing this module, the student should be able to:
  · use the CAPM and apply skills in estimating cost of equity
  · estimate the cost of each source of capital and calculate a weighted average cost of capital for a company
  · compare and contrast leverage strategies in ideal versus real capital markets and be able to explain the expected impact of alternative taxation systems on the use of debt in a firm's capital structure
  · understand capital structure and outline the main factors that financial managers should consider when determining a company's financing strategy and payout policy
  · use capital budgeting tools in presence of uncertainty introduce extra-financial criteria in the investment decision making process
  · critically apply and discuss the theories relating dividends to share price and cost of capital

Bibliographie, lectures recommandées :

· Berk J., et P. DeMarzo, Corporate finance, Pearson, 2016 · Brealey R., S.Myers, F.Allen Principles of corporate finance, Mc Graw Hill, 2016 · Vernimmen P., P.Quiry, Y.Le Fur, Corporate finance, Dalloz, 2017

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