

Course title: Corporate Finance		Credits 5	Course code Prac-18NMVALLIK NIK041
Type of the course		Assessment:	
EQFS level: 7th		Examination	X
Lecture	X	Performance-based grade	X
Seminar	X	Approval	
Practice			
Semester (according to the standard curriculum):1			
Course availability (according to the standard curriculum): Autumn			
Language of instruction (if not in Hungarian): English			
Prerequisites (according to the standard curriculum): Fundamentals of Finance			
Type of the course (compulsory, obligatory elective, free elective): compulsory			
Course schedule: http://www.kodolanyi.hu/neptun/			

Course objectives:

The main aim of this course is to enable students to gain a broad understanding of the principles and techniques of Corporate Finance. The concepts and skills acquired are immediately applicable to all types of companies large and small, privately run or publicly traded and independent of whatever industry they operate in – whether it be manufacturing, consulting or services etc.

The course provides an overview about the theory and practice of corporate finance and provides the “how and why” companies and financial markets behave the way they do. The course aims to deal with the financial value, risk, practical problems in capital budgeting, financing decisions and market efficiency, payout policy and capital structure and debt financing.

The course provides a deep knowledge about present values, the financial objectives of the firm and corporate governance, bonds and common stocks, making investment decisions with the net present value rule, risk and return, capital budgeting and risk, financial projects, strategy and capital investment decisions, agency problems, management compensation and the measurement of performances, corporate financing, payout policy, valuing government bonds and credit risk.

Learning outcomes (based on professional competences):

Knowledge:

1.1 Students are familiar with finances, how to calculate present value and how to make investment decisions with the net present value rule.

1.2 Students are familiar risk, return, and opportunity cost of capital, capital budgeting and risk.

1.3 Students should be able to demonstrate relevant knowledge of a financial project, strategy and capital investment decisions, and the cost and risk of agency decisions, advantages and disadvantages of management compensation plans and measurement of performance.

1.4 Students are familiar with payout policies, debt financing, many different kinds of debts.

Skills:

2.1 Students are capable to make basic corporate finance calculations, making investment decision based on different financial rules.

2.2 Students are capable for understanding and using information about capital budgeting, payout information and credit risk and leasing.

2.3. Students demonstrate knowledge of how much should a firm borrow, financing and valuation.

Attitudes:

3.1 Students expand critical attitudes, demonstrate innovativeness and proactive behavior facing unique corporate financing problems.

3.2 Students are open for new scientific and practice results and financial solutions.

3.3 Students demonstrate a deep knowledge of financial problem solving and critical financial analysis leading to appropriate solutions.

Foreign language competences

Students can function independently and with a great deal of precision on a wide variety of subjects and in almost any setting without any prior preparation.

1. Can understand a wide range of demanding, longer texts, and recognize implicit meaning.

2. Can express ideas fluently and spontaneously without much obvious searching for expressions.

3. Can use language flexibly and effectively for social, academic and professional purposes.

4. Can produce clear, well-structured, detailed text on complex subjects, showing controlled use of organizational patterns, connectors and cohesive devices.

Teaching methods:

Lectures, further readings, concept review questions, quiz, practice questions, challenge questions and mini-cases.

Requirements (exam's evaluation criteria and list of topics):

Individual analysis of a given financial situation, quiz and knowledge of main corporate finance themes.

Assessment & Grading:

Pass

Some knowledge and presentation of well-known facts in quiz, descriptive but adequately used theories in written presentation. Student solves the practical problem with minor errors, the terminology used is not economic but idiomatic.

Satisfactory

Good theoretical knowledge, economic terminology, knowledge and presentation of well-known facts in quiz. Student solves practical problem with minor errors, the terminology used is economic.

Good

Good theoretical knowledge, economic terminology, knowledge and presentation of well-known facts in quiz. Student solves practical problem without errors, the terminology used is economic.

Excellent:

Deep theoretical knowledge, economic terminology, knowledge and presentation of well-known facts in quiz. Student solves practical problem without errors, the language used proves deep knowledge of economic terminology.

Department/faculty responsible for the course:

Department of Economics and Business

Required average students' working hours (number of credits multiplied by 30): 150

Individual assignments (expected number of hours and list of activities):

- Assigned reading – Recommended book.
- Reading scientific literature
- Solving capital budgeting problems by own elaborated data
- Participating on the International Week lectures and/or relevant conference lectures

Course leader: Stewart HARVEY, MBA, MSc, MIET

Lecturers: Stewart HARVEY, MBA, MSc, MIET