

Title of course	<b>Corporate Finance</b>
Responsible instructor	Prof Dr Mareike Heinemann
Learning objectives	<ul style="list-style-type: none"> <li>▪ Develop the analytical skills to learn how corporate decisions impact the value and risk of the corporation</li> <li>▪ Evaluate the financial performance of a company: Define and interpret financial and non-financial key performance indicators</li> <li>▪ Derive a business plan: learn how to estimate projections of income statements, balance sheets and statements of cash flow</li> <li>▪ Learn about the relationship between risk and return and estimate a firm's cost of equity and debt capital and understand their drivers.</li> <li>▪ Learn fundamental principles of business valuation and a consortium of valuation techniques; be able to select methods and apply to real valuation problems</li> <li>▪ Understand the role and drivers of capital structure decisions, from a theoretic to a practical perspective and understand the background of the financial and dividend policies of companies</li> <li>▪ Know the background, trends and process of mergers and acquisitions including the different strategies available for acquirer and target</li> </ul>
Course contents	<ol style="list-style-type: none"> <li>1. Introduction</li> <li>2. Financial analysis and forecasting <ol style="list-style-type: none"> <li>2.1 Financial statement analysis</li> <li>2.2 Financial forecasting</li> </ol> </li> <li>3. Cost of capital <ol style="list-style-type: none"> <li>3.1 Risk and return</li> <li>3.2 Capital Asset Pricing Model</li> <li>3.3 Weighted average cost of capital</li> </ol> </li> <li>4. Business valuation <ol style="list-style-type: none"> <li>4.1 Valuation process and principles</li> <li>4.2 Income approach</li> <li>4.3 Market approach</li> <li>4.4 Asset approach</li> </ol> </li> <li>5. Capital structure <ol style="list-style-type: none"> <li>5.1 Perfect capital market</li> <li>5.2 Imperfect capital market</li> </ol> </li> <li>6. Mergers &amp; acquisitions <ol style="list-style-type: none"> <li>6.1 Types and process</li> <li>6.2 Acquirer's perspective</li> <li>6.3 Takeover defenses</li> </ol> </li> </ol>
Teaching methods	<ul style="list-style-type: none"> <li>▪ Lectures</li> <li>▪ Exercises</li> <li>▪ Case studies</li> <li>▪ Hermeneutic discourses</li> <li>▪ Maieutic discourses</li> <li>▪ Discussion</li> <li>▪ Project work</li> <li>▪ Student presentations</li> <li>▪ Self-study</li> </ul>

Prerequisites	There are no formal requirements. In particular, knowledge of the following compulsory modules is required: <ul style="list-style-type: none"> <li>▪ Mathematics</li> <li>▪ Finance and Investment</li> </ul>
Suggested reading	Preferably most recent edition: <ul style="list-style-type: none"> <li>▪ Berk, J. &amp; DeMarzo, P.: Fundamentals of Corporate Finance, Global Edition, Pearson</li> <li>▪ Higgins, R.: Analysis for Financial Management, McGrawHill</li> <li>▪ Ross, S.A., Westerfield, R.W. &amp; Jordan, B.D.: Fundamentals of Corporate Finance, McGrawHill</li> <li>▪ Titman, S., Keown, A.J. &amp; Martin, J.D.: Financial Management – Principles and Applications</li> </ul>
Applicability	This course is also applicable to other study programmes in Business or Economics offered by Schmalkalden University of Applied Sciences.
Workload	Total workload: 150 hours, of them: <ul style="list-style-type: none"> <li>▪ Lecture: 60</li> <li>▪ Self-study: 90, of them: <ul style="list-style-type: none"> <li>▪ Course preparation (in particular reading): 25</li> <li>▪ Follow-up: 15</li> <li>▪ Preparation for academic research project: 30</li> <li>▪ Exam preparation: 30</li> </ul> </li> </ul>
ECTS credit points and weighting factor	5 ECTS credit points; Weighting factor: a) Study programmes in Business and Economics and in International Business and Economics: 5/180 b) Study programmes in Economics, in Business Administration and in Business Psychology: 5/210
Basis of student evaluation	<ul style="list-style-type: none"> <li>▪ Comprehensive written examination, 60 minutes (80%)</li> <li>▪ Student research project (20%)</li> </ul>
Time	3 <sup>rd</sup> – 6 <sup>th</sup> /7 <sup>th</sup> semester
Frequency	Generally each academic year
Duration	One semester
Course type	Elective course
Remarks	Teaching language is English.