

Course title		Corporate Finance						ECTS code		14.3.EM.SL.324	
								ECTS credits		4	
Name of unit administrating study		KZPR		Field of study		MSG**		Field of specialisation		IB;	
Teaching staff		Joanna Adamska-Mieruszewska, Ph.D.									
Number of hours											
Lectures	30	Classes	0	Tutorials	0	Laboratory	0	Seminars	0	Language classes	0
Forma aktywności							Year&Type of studies*		2 SS2,		
Hours with the participation of the academic teacher (including office hours, exams, others):					60	Semester:		4,			
Hours without the participation of the academic teacher (student's self-study, homeworks):					15	Type of course:		obligatory			
Total number of hours:					75	Language of instruction:		English			
Teaching form		in-class learning									
Teaching methods		Lectures including multimodal presentations, Case studies, Collaborating, group activities,									
Prerequisites (required courses and introductory requirements)											
Required courses		International finance									
Introductory requirements		Basic knowledge of macroeconomics, finance and financial markets as well as international economic relations. Ability to solve math problems.									
Assessment method, forms and criteria											
Assessment method		Exam									
Assessment criteria		Written test including open-ended questions and single-choice test. The examination evaluates knowledge from lectures and reading materials. The grading scale is determined in line with the Regulations of Studies.									
Course objectives											
The purpose of this course is to give students an operation knowledge of corporate finance. In particular, to provide a solid understanding of the major financial decisions facing corporate managers and to establish a structured approach to making investment and financial decisions for corporation.											
Learning outcomes											
Knowledge	MSG2_W02	Student knows an advanced terminology in the field of international economics, in particular corporate finance, international corporate finance									
	MSG2_W03	Student knows rules of financial reporting, appraisal of corporate activities and valuation as well as understand the conditions and principles of functioning of the financial market, including international financial markets									
	MSG2_W09	Student has an in-depth knowledge of corporate finance in the national and international environment, understands the financial conditions, principles and consequences of decisions taken and the financial dependencies among enterprises on the international market									
	MSG2_W10	Student knows and understands financial conditions related to business operations, in particular those of an international nature, including specifics of capital budgeting and management									
	MSG2_W13	Student knows data acquisition techniques, which make it possible to analyse financial situation of economic entities functioning on the international market									
Verification of learning outcomes - Knowledge											
Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
	MSG2_W02	X						X			
	MSG2_W03	X									

MSG2_W09	X							X			
MSG2_W13	X										
MSG2_W04	X										
MSG2_W06	X										
MSG2_W15	X										

Skills	MSG2_U01	Student can interpret and explain complex and atypical economic phenomena and the relations between them, including relation between capital budgeting, financing, investments and company operations									
	MSG2_U03	Student can identify and analyse financial relations between business entities and institutions in their national and international environment;									

Verification of learning outcomes - Skills

Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG2_U01	X							X			
MSG2_U03	X							X			

Attitudes	MSG2_K01	Student is ready to recognise the importance of knowledge of economics in the process of identifying and solving problems in the area of international corporate finance, actively work on complicated and multilayered relations regarding financing, investing and appraising corporate activities									
	MSG2_K02	Student is able to formulate critical assessments and find solutions to specific financing, appraisal and valuation problems									
	MSG2_K04	Student is ready to think and act in an entrepreneurial manner, in particular regarding, financial decisions in a company as well as assesses risks and threats.									

Verification of learning outcomes - Attitudes

Outcomes	written exam	oral exam	test	essay/paper /portfolio	tasks/ homeworks	individual presentation	group presentation	classroom activities	classroom discussion	individual project	group project
MSG2_K01	X							X			
MSG2_K02								X			
MSG2_K04								X			

Course contents

Corporate finance definition and underlying principles. The scope of corporate finance. Corporate objectives. Strategic financial decision. Efficient market hypothesis. The business life cycle. Financial statement and cash flow analysis.

Cash flow analysis. Types of cash flows. The relevant cash flows. Indirect effects. Sunk costs and opportunity costs. Working capital. The case study of cash flow analysis.

Risk and return. Systematic and unsystematic risk. Firm-specific and shareholder-specific risks. Risk of a single asset and portfolio risk. Sensitivity analysis, probability distributions. Risk measurement - the case study. Risk management and risk factors. The hedging decisions.

Long-term sources of company financing. Issuing equity. The flotation of a company (IPO and SPO). Theoretical diluted price. Financing via stock market versus the over-the-counter market (OTC).

Issuing long-term debt. Bond issue versus a bank loan. Bond issue versus stock issue. Hybrid financing - definition and purpose.

Capital cost. Discount rate (the cost of equity and the cost of debt, weighted average cost of capital). Examples.

Capital structure. Financial leverage. Modigliani and Miller capital. The M&M capital structure model with taxes. Patterns in corporate capital structure.

Short-term financing. Asset-Backed Financing.

Dividend policy and dividend decisions. Types of dividend policies. Forms and types of dividends.

Capital budgeting process and techniques. Steps in capital budgeting. Independent and mutually exclusive projects. Accounting-based methods. Payback methods. Net present value. Internal rate of return and modified internal rate of return. Profitability index. Exercises and examples. Capital budgeting and project risk.

Corporate governance codes of practice. The audit and the roles of auditors. Directors' obligations and responsibilities. Disclosure policy - principles, actions to ensure compliance, legal consequences of its failure.

Theory of financial distress and bankruptcy. Reasons and consequences of the company's bankruptcy.

Recommended reading lists

Basic literature:

Madura J., (2010), International corporate finance. Cengage Learning.

Hiller D., Ross S., Westerfield R., Jaffe J., Bradford J., (2016), Corporate finance, Maidenhead: McGraw-Hill Education.

Supplementary literature:

Megginson W.L., Smart S.B., Lucey B.M., Introduction to corporate finance, Cengage Learning EMEA, 2008.

Dayananda J. (ed.), Capital Budgeting: Financial Appraisal of Investment Projects, Cambridge University Press, 2002.

Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2012). Principles of corporate finance. Tata McGraw-Hill Education.

Adamska-Mieruszewska, J., & Mrzygłód, U. (2020). Foreign listing pricing effects. The case of emerging economies. *Bank i Kredyt*, (4), 367-381.

Mosionek-Schweda M. (2017), The Organized Bond Markets in Poland and Czech Republic - a Comparative Analysis, [in:] *The Financial Law towards Challenges of XXI Century*, M. Radvan, J. Gliniecka, T. Sowiński, P. Mrkývka (eds.), Publications of the Masaryk University, *Acta Universitatis Brunensis, Iuridica, Theoretical series, Editio Scientia* vol. 580, Masaryk University, Brno.

Contact

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* SS1- undergraduate studies * SS2 - graduate studies * SDang - doctoral studies

** MSG - International Economic Relations