



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Corporate Finance	2024-05-06

Academic staff	Core academic unit(s)
Coordinator(s): Assist. Dr. Linas Jurkšas Other(s):	Department of Finance, Faculty of Economics and Business Administration

Study cycle	Type of the course unit
Second	Compulsory

Mode of delivery	Semester or period when it is delivered	Language of instruction
Hybrid	Autumn semester	English

Requisites	
Prerequisites: microeconomics, macroeconomics, accounting and financial reporting	Co-requisites (if relevant): none

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	32	98

Purpose of the course unit
<p>The aim of the course is to form theoretical and analytical skills on corporate finance / issues that would also enable one to successfully prepare for Chartered Financial Analyst® (CFA) exams on the relevant topic.</p> <p>The competences trained in the course include:</p> <ul style="list-style-type: none"> - the knowledge of theoretical and practical principles of corporate finance; - the ability to critically evaluate the performance of the company and to gain sufficient knowledge needed for analysis of financial problems of different types of companies; - the ability to assess the financial situation of a company and to find out its value.

Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
The ability to understand a company's financial performance The ability to compare the organizational forms of businesses, describe key features of corporate issuers and assess company's corporate governance The ability to calculate the company's capital investment needs, decide on capital allocation, internalize capital allocation principles and pitfalls, evaluate the real options The ability to select optimal company's capital structure by calculating the cost of capital, evaluate the factors affecting capital structure and understand various capital structure theories The ability to understand cost of capital factors, estimate the cost of debt, equity risk premium and the cost of equity The ability to grasp the cash conversion cycle and assess working capital and liquidity needs The ability to analyse the various forms, theories and practices of dividends and payout policies, dividend payment structures and share repurchases	Problem-based teaching, case studies, and solution of the provided tests.	Test and exam: closed-ended and/or open-ended assignments or questions. Presentation of the answers during the lectures and seminars. Presentation of practical case study assignment. No availability to take the subject as an external examination.

Content	Contact hours						Individual work: time and assignments		Tasks for individual work
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	Contact hours, total	Individual work	
1. Intro to corporate finance	1						1	2	Reading the introduction from CFA Program Curriculum Level I and II on Corporate Issuers.
2. Organizational Forms and Corporate Governance	3		2				5	16	Reading and self-assessment questions: Learning module 1 (Organizational Forms, Corporate Issuer Features, and Ownership) and 3 (Corporate Governance: Conflicts, Mechanisms, Risks, and Benefits) from CFA Program Curriculum Level I Box on Corporate Issuers.
3. Capital Investments and Capital Allocation	3		2				5	16	Reading and self-assessment questions: Learning module 5 (Capital Investments and Capital Allocation) from CFA Program Curriculum Level I Box on Corporate Issuers.
4. Capital Structure	3		2				5	16	Reading and self-assessment questions: Learning module 6 (Capital Structure) from CFA Program Curriculum Level I Box on Corporate Issuers.
5. Cost of Capital	3		2				5	16	Reading and self-assessment questions: Learning module 4 (Cost of Capital: Advanced Topics) from CFA Program Curriculum Level II Box on Corporate Issuers.
6. Working Capital and Liquidity	3		2				5	16	Reading and self-assessment questions: Learning module 4 (Working Capital and Liquidity) from CFA Program Curriculum Level I Box on Corporate Issuers.
7. Analysis of Dividends and Share Repurchases	4		2				6	16	Reading and self-assessment questions: Learning module 2 (Analysis of Dividends and Share Repurchases) from CFA Program Curriculum Level II Box on Corporate Issuers.
Total	20		12				32	98	

Assessment strategy	Weight %	Deadline	Assessment criteria
Answers to the problem solutions during lectures and seminars	10	Until the end of the course	Active participation in doing assignments during lectures and seminars with at least 2 correct answers to the problem solutions at lectures / seminars.
Test (closed-ended and/or open-ended questions)	20	Around the middle of the course	The received grade from the test (from 0 to 10).
Presentation on a case study	20	At the 2 nd half of the course	Presentation on a case study on a company from the list of Nasdaq OMX that pays dividends, giving answers to the questions asked.
Exam (closed-ended and/or open-ended questions)	50	At the end of the course	The received grade from the exam (from 0 to 10). The exam won't be given to external students.

Author (-s)	Publishing year	Title	Issue No. or Volume	Publishing house or web link
Required reading				
CFA institute	2023	Corporate Issuers	CFA Program Curriculum Level I Box	John Wiley & Sons
CFA institute	2022	Corporate Issuers	CFA Program Curriculum Level II Box	John Wiley & Sons
Recommended reading				
Ross, Stephen A. Westerfield, Randolph W. Jordan, Bradford D.	2016-2022	Fundamentals of Corporate Finance	9 th -13 th Edition	McGraw-Hill
Robert F. Bruner, Kenneth Eades, Michael Schill.	2017	Case Studies in Finance	8 th Edition	McGraw Hill