



## Course and Examination Fact Sheet: Spring Semester 2019

### 8,274: Corporate Finance, Banking and Venture Capital

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

Central - Written examination (60%, 60 mins.)

Decentral - examination paper written at home with presentation (individual) (40%)

#### Attached courses

Timetable -- Language -- Lecturer

[8,274,1.00 Corporate Finance, Banking and Venture Capital](#) -- Englisch -- [Kogler Michael](#) , [Keuschnigg Christian](#)

#### Course information

##### Course prerequisites

While a solid knowledge of microeconomic incentive theory is useful, all lecture material is fully self-contained.

##### Course content

**Summary:** The lectures introduce into the economics of corporate finance and emphasize the role of venture capital and bank credit in financing firms. How can monitoring by banks ease financial constraints and mitigate credit rationing? Which firms are suitable to bank financing, capital markets, and venture capital? How can venture capital help firms raise more capital and grow larger? How does the internal capital market of multinational firms contribute to a more efficient allocation of capital to different projects and thereby boost firm productivity? How can policymakers correct financial distortions like 'Zombie lending' by under-capitalized banks that hamper growth and impair productivity?

**Qualifications:** Students acquire special knowledge in corporate finance, with an emphasis on banking and venture capital. The course prepares for further PhD studies and for work in financial policy institutions and the private sector.

**Methods:** Applied theory. A solid knowledge of microeconomic incentive theory is useful.

**Development of competencies:** The lectures develop essential theoretical, empirical and institutional insights. They also train analytical tools which are required to independently analyze problems in venture capital and bank financing and to conduct economic research (e.g. a Master thesis) that meets high academic standards. Summaries of empirical research and oral presentations in class help students to become professional communicators.

**Course objectives:** Getting state of the art knowledge in venture capital and corporate finance; formulating research questions and adopting appropriate research design; learning how to effectively communicate research insights.

##### The following topics are emphasized:

Adverse selection in capital markets

Moral hazard, external leverage, and financial constraints

Venture capital

Executive compensation and corporate governance

Internal capital markets and multinational firms

Banks and delegated monitoring

Bank financing vs. capital markets

Distortions in bank lending ('Zombie lending')



Venture capital

There might be small changes during the course. The precise contents are announced at the beginning of the semester and are continuously updated on Studynet.

## Course structure

**The course consists of contact studies and self-studies.**

**Contact studies:** lecture material is provided on Studynet. The written exam is based on the lectures of **the contact studies and counts 60% of the grade.**

**Self-studies:** students must provide a summary of an empirical paper selected from the reading list (see course outline on studynet) and give a short presentation of this empirical paper in class. Summary and Powerpoint presentation count 40% of the grade.

More details on Studynet.

## Course literature

Self-contained manuscripts, original journal articles, and book chapters. See Studynet for a detailed course outline.

Further reading (indicative): Selected chapters from Tirole, Jean (2006), *The Theory of Corporate Finance*, Princeton University Press; Freixas, Xavier and Jean-Charles Rochet, (2008), *Microeconomics of Banking*, MIT Press.

## Additional course information

All relevant information will be continuously updated on Studynet.

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/2)

##### Examination time and form

Central - Written examination (60%, 60 mins.)

##### Remark

based on contact studies

##### Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

##### Supplementary aids

None

##### Examination languages

Question language: English

Answer language: English



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## 2. Examination sub part (2/2)

### Examination time and form

Decentral - examination paper written at home with presentation (individual) (40%)

### Remark

Summary of journal article + presentation slides

### Examination-aid rule

Term papers

- Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship.
- The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the APA or MLA standards. The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into the text in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C. (2017), Lern- und Arbeitsstrategien (12th ed., Cornelsen Schweiz).
- For any work written at the HSG, the indication of the page numbers both according to the MLA and the APA standard is never optional.
- Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.
- For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B. (2018, Juristisches Arbeiten: Eine Anleitung für Studierende (6. Auflage), Zürich: Schulthess, or the recommendations of the Law School).

### Supplementary aids

None

### Examination languages

Question language: English

Answer language: English

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## Examination content

Written exam: slides, manuscripts and literature as listed on Studynet for each lecture unit.

All the info relevant for the exam will be listed on Studynet by Monday, May 20, 2019.

## Examination relevant literature

Lecture notes, slides, manuscripts and original literature as listed on Studynet.

### Please note

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc. When will the fact sheets become binding?

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 24 January 2019
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 18 March 2019
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 08 April 2019

Please look at the fact sheet once more after these deadlines have expired.