



Course and Examination Fact Sheet: Spring Semester 2020

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

A solid knowledge of microeconomic incentive theory is required.

Learning objectives

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. Course objectives include getting the 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.

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? Why do bank deposits, which provide valuable insurance against sudden liquidity needs, make banks susceptible to runs and panics? How can policymakers correct financial distortions like 'Zombie lending' by under-capitalized banks that hamper growth and impair productivity?

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.

The following topics are emphasized:

1. Adverse selection in capital markets
2. Moral hazard, external leverage, and financial constraints
3. Venture capital
4. Bank financing vs. capital markets
5. Liquidity insurance, maturity transformation, and bank runs
6. Banks and delegated monitoring
7. Distortions in bank lending ('Zombie lending')
8. 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 Canvas.



Course structure

The course consists of contact studies and self-studies.

Contact studies: lecture material is provided on Canvas. 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 Canvas.

Course literature

Self-contained manuscripts, original journal articles, and book chapters. See Canvas 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 Canvas.

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

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

Examination content

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

Examination relevant literature

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



Please note

Please note that this fact sheet alone is binding and has priority over any other information such as StudyNet (Canvas), personal databases or faculty members' websites and information provided in their lectures, etc.

Any possible references and links within the fact sheet to information provided by third parties are merely supplementary and informative in nature and are outside the University of St.Gallen's scope of responsibility and guarantee.

Documents and materials that have been submitted no later than the end of term time (CW21) are relevant to central examinations.

Binding nature of the fact sheet:

- Information about courses and examination time (central/decentral) and examination type starting from the beginning of the bidding on 23 January 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for decentral examinations after the 4th semester week on 16 March 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for central examinations as from the starting date for examination registration on 6 April 2020

Please consult the fact sheet again after these deadlines have expired.