



## 9,153: Advanced Corporate Finance

### Subject information

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ECTS-Credits: 2

### Attached courses

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Timetable	Language	Lecturer
<a href="#">8,190,1.00 Advanced Corporate Finance</a>	English	<a href="#">Lang Sebastian</a>

### Course information

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#### Course prerequisites

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Corporate Finance I

#### Course content

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The field of Corporate Finance has developed tremendously in academia and practice in the past 20 years. The focus of the course "Advanced Corporate Finance" is on the organizing principles that structure the analysis of today's key financial management issues, such as the reform of corporate governance and auditing; the role of private equity, financial markets, and takeovers; the efficient determination of leverage, dividends, liquidity, and risk management; and the design of managerial incentive packages. Based on an economic overview of corporate institutions, the course covers corporate financing and agency theory, security design and macroeconomic implications of Corporate Finance as major theoretic parts. Class discussion will be enhanced by the presentation of selected empirical papers on the key theoretic concepts developed in class. The main literature to cover the theoretic part of the course is "Jean Tirole, The Theory of Corporate Finance, Princeton University Press, 2006" [JT]

#### Course structure

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- I. Self-Study: An Economic Overview of Corporate Institutions**
  - 1. Corporate Governance [JT, Ch. 1]
  - 2. Corporate Financing: Some Stylized Facts [JT, Ch. 2]
- II. Corporate Financing, Agency Costs and Monitoring**
  - 3. Outside Financing Capacity [JT, Ch. 3]
  - 4. Some Determinants of Borrowing Capacity [JT, Ch. 4]
  - 5. Corporate Financing under Asymmetric Information [JT, Ch. 6]
  - 6. Lending Relationships and Investor Activism [JT, Ch. 9]
- III. Security Design: The Control Right and Demand Side Views**
  - 7. Control Rights and Corporate Governance [JT, Ch. 10]
  - 8. Takeovers [JT, Ch. 11]
  - 9. M&A and the Determination of Asset Values [JT, Ch. 14]
- IV. Corporate Finance and Macroeconomic Implications**
  - 10. Credit Rationing and Economic Activity [JT, Ch. 13]
- V. Discussion of seminal empirical papers on Corporate Finance**

#### Course literature

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Jean Tirole, The Theory of Corporate Finance, Princeton University Press, 2006

#### Course additional information

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## Information about the Examination

### Examination type

**decentral - Written examination (60%, 60 mins.)**

### Examination aids

#### Closed Book

The following rules apply to all examinations irrespective of requirements and use:

- A simple pocket calculator is admissible (for the definition of simple pocket calculators incapable of communication, cf. general regulations concerning examination aids of 14 December 2010 and note the "Pocket calculators" fact sheet). Any other EDP and electronic means of communication such as notebooks, PDAs and mobile telephones, etc., are inadmissible.
- A bilingual dictionary (without handwritten notes) may be used if the examination questions and/or answers are not in the candidate's native language. Electronic dictionaries are inadmissible.
- The procurement of these examination aids is exclusively the students' responsibility.
- No other examination aids are admissible.

Question language: **English**

Answer language: **English**

### decentral - Presentation (in groups) (40%)

Comment: Seminal papers on Corporate Finance

### Examination aids

#### no regulation necessary

No rules for examination aids are required for this examination.

- For written examinations at home (term paper), courses without credits, etc., no specific rules for examination aids are required.
- The regulations of the University of St. Gallen and the rules of academic work (sources and aids must always be identified) are applicable in a subsidiary fashion.
- All written work must be accompanied by a declaration of authorship.

Question language: **English**

Answer language: **English**

## Examination content

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| Jean Tirole, The Theory of Corporate Finance, Princeton University Press, 2006 | 1. |
| 2. Seminar Papers on Corporate Finance   |    |

## Exam-relevant literature

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| Jean Tirole, The Theory of Corporate Finance, Princeton University Press, 2006 | 1. |
| 2. Seminal Papers on Corporate Finance   |    |

## Attention please:

***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: from the start of the bidding process on 19 January 2010***

***Information about decentral examinations: after the 4th semester week on 22 March 2010***

***Information about central examinations: from the start of the enrolment period for the examinations on 12 April 2010***

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