



Course and Examination Fact Sheet: Autumn Semester 2020

10,272: Corporate Finance

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Written examination (50%)

Examination time: term time

Decentral - Group examination paper (all given the same grades) (50%)

Examination time: term time

Attached courses

Timetable -- Language -- Lecturer

[10,272,1,00 Corporate Finance](#) -- Englisch -- [Arnold Marc](#)

Course information

Course prerequisites

It is strongly recommended that students have successfully passed a Corporate Finance course before registering for the doctoral course *Corporate Finance*.

Learning objectives

The course covers the main topics of Corporate Finance. Students learn to recognize and intuitively understand the most important problems in the context of financing a corporation. In addition, they learn to apply tools to solve these problems. The course also focuses on teaching the students how to conduct research in Theoretical Corporate Finance.

Course content

The course *Corporate Finance* is part of the PiF programme. It covers the most important concepts of Theoretical Corporate Finance. The lecturer first explains the basic problems related to the financing of corporations. Theoretical solution concepts are then developed in class to solve these problems. The lecturer also works through illustrative examples and practical applications to make sure that the students understand the main ideas of the models. Finally, the course explores the current research boundaries in Theoretical Corporate Finance and provides guidance for new research projects in this field.

The following topics are covered by the course:

- Discrete and continuous time models of corporate finance
- Important aspects of the corporate capital structure
- Evaluation of corporate credit risk
- Financing under asymmetric information
- Agency problems in Corporate Finance
- Mergers and Acquisitions
- Research in Theoretical Corporate Finance

At the end of the course, PiF students will be able to recognize and analyze the most important challenges related to the financing and the risk management of corporations by using modern corporate finance models. The main goal of the course is to teach students to implement and structure models to conduct research in theoretical corporate finance. The lecturer also aims at inducing students to recognize promising research ideas.

Course structure

The course takes place on a weekly four hour basis in the second part of the semester after the break.



Course literature

- Tirole, Jean (2006): The Theory of Corporate Finance. New Jersey: Princeton University Press
- Bolton, Patrick and Dewatripont, Mathias (2005): Contract Theory. Cambridge: Massachusetts Institute of Technology
- All papers, articles and references published on the Canvas Page of the course.

Additional course information

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in AS2020, the course information listed above will be changed as follows:

- The course is conducted online via the platform Zoom;
- The recordings of the course are available for 30 day;
- The lecturer informs via Canvas on the changed implementation modalities of the course.

The examination information listed below would be changed as follows:

- The presentations and written examination are conducted online and are being recorded.

Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - Written examination (50%)

Examination time: term time

Remark

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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, 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 - Group examination paper (all given the same grades) (50%)

Examination time: term time

Remark

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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 which is a published template in StudentWeb.

The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the chosen citation standard such as APA or MLA.

For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B., *Juristisches Arbeiten: Eine Anleitung für Studierende*, newest edition respectively, or according to the recommendations of the Law School).

The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into texts 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., *Lern- und Arbeitsstrategien*, newest edition respectively).

For any work written at the HSG, the indication of the page numbers is mandatory independent of the chosen citation standard. 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.

Supplementary aids

None

Examination languages

Question language: English

Answer language: English

Examination content

The written exam covers all topics that are discussed during class. Additionally, all topics and articles referred to on the Canvas page of the course are relevant.

The group examination paper entails a project with a modelling exercise. Each group consists of two students. In the project, the students apply the concepts of the class to develop a new idea with a model.

Examination relevant literature

- Tirole, Jean (2006): *The Theory of Corporate Finance*. New Jersey: Princeton University Press
- Bolton, Patrick and Dewatripont, Mathias (2005): *Contract Theory*. Cambridge: Massachusetts Institute of Technology
- All papers, articles and material published on the Canvas page of the course until the 15.12.2020.
- All topics discussed in the lecture are an integrated part of the final written examination.



Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW51) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 42 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 34 (Thursday, 20 August 2020);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 42 (Monday, 12 October 2020);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 42 (Monday, 12 October 2020);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 44 (Thursday, 29 October 2020).