



## Course and Examination Fact Sheet: Autumn Semester 2020

### 9,162: Corporate Finance (MBF)

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

Decentral - Written examination (100%, 90 mins.)

Examination time: term time

#### Attached courses

Timetable -- Language -- Lecturer

[9,162,1.00 Corporate Finance \(MBF\)](#) -- Englisch -- [Schmid Markus Max](#)

#### Course information

#### Course prerequisites

While there are no formal prerequisites for this class, some basic knowledge in finance, corporate finance, and econometrics is helpful.

This course is recommended for MBF-students in their first semester of the program.

#### Learning objectives

##### Learning Goals:

- - Conceptual understanding: The students will develop a conceptual understanding of the basic models of corporate investments and financing.
- - Calculations: The students will learn to do basic calculations related to company and project valuation, cost of capital, capital structure, and real options.
- - Reading and interpreting empirical results: The students will learn how to read, interpret, and critically assess empirical results that pertain to empirical tests in corporate finance (and financial economics more generally).

#### Course content

This course is designed as an introductory level course to corporate finance at the master's level and considers a wide range of issues that financial managers face. It investigates companies' investments and financing decisions. Additionally, it covers topics such as agency problems & corporate governance, ESG, initial public offerings and seasoned equity offerings, as well as mergers & acquisitions. The overall goal of the course is to provide students with an understanding of the basic theories and practical applications of corporate finance. Students' understanding will be deepened through the reading and discussion of a limited number of academic research articles.

#### Course structure

The course consists of approximately 12 lectures of 90 minutes each, two case study sessions, and two exercise sessions.

A (tentative) list of topics is here:

1. Introduction / Capital Budgeting
  1. 2. Valuation: Cash Flows & Discount Rates
  2. 3. Capital Structure (I)



3. 4. Capital Structure (II)
4. 5. Payout Policy
5. 6. Advanced Valuation
6. 7. Real Options
7. 8. Raising Equity Capital & Mergers & Acquisitions
8. 9. Corporate Governance (I)
9. 10. Corporate Governance (II)
10. 11. Environment, Social, and Governance
11. 12. Guest Lecture & Q&A

## Course literature

The course material consists of the lecture notes, a textbook, additional (mandatory and voluntary) readings, exercises, and case studies. The lecture notes, the mandatory additional readings, the exercises, and a link to the case studies will be made available on Canvas/StudyNet. The textbook is:

Berk, J., and P. DeMarzo, 2020, Corporate Finance, 5th edition, Pearson (usually abbreviated as "BDM").

The relevant chapters and additional literature will be announced in class.

## Additional course information

In the case of the President's Board having to implement new directives due to the SARS-CoV-2 pandemic in the fall term 2020, the course information listed above will be changed as follows:

- - The course is conducted online via the platform Zoom;
- - The recordings of the course will be available until the exam date;
- - The lecturer informs via StudyNet/Canvas on the changed implementation modalities of the course;
- - Course content such as the guest lecture may be cancelled;

Note: The course may also take place online if the number of students exceeds the then allowed room capacity that ensures compliance with precautionary measures.

The examination information listed below would be changed as follows:

- - The written examination may be conducted online under these circumstances.

## Examination information

### Examination sub part/s

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

##### Examination time and form

Decentral - Written examination (100%, 90 mins.)

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

A pen and a pocket calculator (as specified in the university's guidelines on admissible pocket calculators).

## Examination languages

Question language: English

Answer language: English

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## Examination content

Everything that was covered in the lectures (including guest lectures), the lecture notes, case study sessions, and exercises, as well as the indicated mandatory literature.

## Examination relevant literature

Lecture notes and all the mandatory readings as announced in class.

### 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).