

# **Corporate Finance** 1 semester Syllabus

## **Part 1: Course Information**

### **Instructor Information**

**Instructor:** Dr. Sergei N. Polbitsyn  
**Office:** Office 213, 13b Prospekt Lenina  
**Office Hours:** 13:00 – 18:00 Monday  
**Office Telephone:** (343) 371-10-03  
**E-mail:** s.n.polbitsyn@urfu.ru

### **Course Description**

The course develops theoretical framework for understanding and analysing major financial problems of modern company in market environment. The course covers basic models of valuation of corporate capital, including pricing models for primary financial assets, real assets valuation and investment projects analysis, capital structure and various types of corporate capital employed, derivative assets and contingent claims on assets. It provides necessary knowledge in evaluating different management decisions and its influence on corporate performance and value. The course requires the knowledge in micro and macroeconomics, accounting and banking. The course is based on lectures, seminars, case studies and self-study. “Corporate finance” is a two-semester course designed to prepare students for UOL examination.

The main objective of the course is to provide the conceptual background for corporate financial analysis from the point of corporate value creation. The course develops theoretical framework for understanding and analyzing major financial problems of modern firm in the market environment. The course covers basic models of corporate capital valuation, including pricing models for primary financial assets, real assets valuation and investment projects analysis, capital structure, derivative assets and contingent claims on assets. The course is focused on developing skills in analyzing corporate behavior in capital markets and the relationship of agent and principal in raising funds, allocating capital, distributing returns. It provides necessary knowledge in evaluating different management decisions and their influence on corporate performance and value.

### **Prerequisite**

- Methodology of Scientific Research
- Scientific knowledge transfer

### **Textbook & Course Materials**

#### **Required Text**

- Brealey R.A., Myers S.C. Principles of Corporate Finance. 6th edition. McGraw Hill. 2000

- Ross S., R.Westerfield, J.Jaffe. Corporate Finance. Fifth Edition. IRWIN-McGraw-Hill.

### **Recommended Texts & Other Readings**

- Copeland T. and Weston J.: Financial Theory and Corporate Policy. 1998
- Damodaran A. Applied Corporate Finance. Wiley&Sons. 1999
- Trigeorgis L. Real options. Managerial Flexibility and Strategy in Resource Allocation.The MIT Press. Cambridge. 1999
- Copeland T., Antikarov V. Real Options: a Practitioner's Guide. Texere. New York. London. 2001
- Reilly K.F., Brown K.C. Investment Analysis and Portfolio Management. 6th Edition. The Dryden Press.

### **Course Requirements**

- Internet connection
- Multimedia equipment

### **Course Structure**

**Lectures and reading materials.** Participating in the lectures and reading the assigned papers are the most essential parts of the course. All enrolled students are therefore expected to participate in all lectures and read all assigned papers.

**Seminars.** The seminars are organized and conducted by the Instructor. The student performance at the seminars will be assessed based on three criteria: attendance, preparedness, and activity.

**Assignments.** For each part of the course there will be an individual assignment to write a short paper addressing a specific question. The assignments will be graded and commented by the Instructor with one paragraph of comments.

**Points for participation** in role-plays and discussions are awarded if the students use additional information from supplementary readings and make explicit reference to the author and to the book/article they have used.

**Mid-term exam** consists of a multiple-choice test of 20 questions that deal with terms, ideas, and facts covered during the previous weeks and a short (not exceeding 250 words) written answer to one of two questions based on material covered within the previous weeks.

**Group presentation.** A PowerPoint (or Prezi, or OpenOffice) presentation of 20-25 slides prepared by a working group (depending on the number of students in the class but not more than four students in a group) on one of the issues covered in the course. The presentation will be followed by a Q and A session. Presenters are expected to demonstrate their use of theoretical and methodological tools discussed during the course for analysis of the subject of their presentation.

**Final Exam** consists of an open-ended test that requires short (1-3 sentences) responses to 100 questions based on the material covered within the course and a short academic essay (200 words) on one of three suggested topics.

## Part 2: Student Learning Outcomes

1. Provide a framework of knowledge, theory and understanding relative to Scientific Methodology in the 21st century.
2. Embrace the thinking of Scientific methodology.
3. *Knowledge and Understanding*
  - *employ* theoretical and conceptual knowledge to *identify* and *analyze* Scientific methodology problems in global contexts, *select* the most appropriate form of Scientific methodology needed for the suggested type of activity and operation.
  - *identify and place into practice* information-based decision making approaches to scientific methodology problems with regards to operational grounding.
4. *Intellectual Skills:*
  - *gather, analyze, and evaluate* business data and information and *transform* empirical data into useful and actionable information using a set of strategic and descriptive tools,
  - *interpret and analyze* complex business issues from multiple perspectives and critically *review* academic literature and other relevant information sources, *design* a scientific methodology operating in the conditions of the diverse legal, socio-cultural and economic environment
5. *Practical Skills: Inter/Multicultural Competency*
  - *apply* proven theoretical and conceptual knowledge of scientific methodology challenges, including economic life-cycles.
6. *Transferable Skills: Multicultural Communication*
  - *communicate* effectively in English in oral, written and electronic formats *using* communication and information technology for business applications and is able *prepare and present* reports.
  - *exercise* initiative and *take* personal responsibility for one's own work in terms of timeliness, professional behavior, personal motivation and planning skills.

## Part 3: Topic Outline/Schedule

- Week 01: Introduction to the Corporate finance
- Week 02: Introduction to the Corporate finance
- Week 03: Introduction to the Corporate finance
- Week 04: Introduction to the Corporate finance
- Week 05: Fundamentals of Corporate Capital Valuation
- Week 06: Fundamentals of Corporate Capital Valuation
- Week 07: Fundamentals of Corporate Capital Valuation
- Week 08: Fundamentals of Corporate Capital Valuation
- Week 09: Capital Asset Pricing Theory
- Week 10: Capital Asset Pricing Theory
- Week 11: Capital Asset Pricing Theory
- Week 12: Capital Asset Pricing Theory

- Week 13: Corporate Investing Policies and Value Creation
- Week 14: Corporate Investing Policies and Value Creation
- Week 15: Corporate Investing Policies and Value Creation
- Week 16: Corporate Investing Policies and Value Creation

**Part 4: Grading Policy**

**Graded Course Activities**

<b>ECTS Grade</b>	<b>Points</b>	<b>Russian grade</b>
A	100-91 points	“excellent”: 100–80 points
B	90-81	
C	80-71	“good”: 79– 60 points
D	70-61	
F: failed	less than 60 points: failed	“satisfactory”: 59–40 points
		“unsatisfactorily”: failed, less than 40 points

**Part 5: Course Policies**

**Attend Class**

Students are expected to attend all class sessions as listed on the course calendar.

**Build Rapport**

If you find that you have any trouble keeping up with assignments or other aspects of the course, make sure you let your instructor know as early as possible. As you will find, building rapport and effective relationships are key to becoming an effective professional. Make sure that you are proactive in informing your instructor when difficulties arise during the semester so that they can help you find a solution.

**Complete Assignments**

Assignments must be submitted by the given deadline or special permission must be requested from instructor *before the due date*. Extensions will not be given beyond the next assignment except under extreme circumstances.

All discussion assignments must be completed by the assignment due date and time. Late or missing discussion assignments will affect the student’s grade.

**Commit to Integrity**

As a student in this course (and at this university) you are expected to maintain high degrees of professionalism, commitment to active learning and participation

in this class and also integrity in your behavior in and out of the classroom.

**Academic Dishonesty Policy**

1. Academic dishonesty includes such things as cheating, inventing false information or citations, plagiarism and helping someone else commit an act of academic dishonesty. It usually involves an attempt by a student to show possession of a level of knowledge or skill that he/she does not possess.
2. Course instructors have the initial responsibility for detecting and dealing with academic dishonesty. Instructors who believe that an act of academic dishonesty has occurred are obligated to discuss the matter with the student(s) involved. Instructors should possess reasonable evidence of academic dishonesty. However, if circumstances prevent consultation with student(s), instructors may take whatever action (subject to student appeal) they deem appropriate.
3. Instructors who are convinced by the evidence that a student is guilty of academic dishonesty shall assign an appropriate academic penalty. If the instructors believe that the academic dishonesty reflects on the student's academic performance or the academic integrity in a course, the student's grade should be adversely affected. Suggested guidelines for appropriate actions are: an oral reprimand in cases where there is reasonable doubt that the student knew his/her action constituted academic dishonesty; a failing grade on the particular paper, project or examination where the act of dishonesty was unpremeditated, or where there were significant mitigating circumstances; a failing grade in the course where the dishonesty was premeditated or planned. The instructors will file incident reports with the Deputy Director for Academic Affairs. These reports shall include a description of the alleged incident of academic dishonesty, any relevant documentation, and any recommendations for action that he/she deems appropriate.