GM1015   Advanced Corporate Finance, 7.5 credits

Advanced Corporate Finance, 7,5 högskolepoäng
Second Cycle

Confirmation

This course syllabus was confirmed by School of Business, Economics and Law on 2010-08-27 and was last revised on 2018-05-29 by Graduate School to be valid from 2018-09-03, autumn semester of 2018.

Field of education: Social Sciences 100%
Department: Graduate School

Position in the educational system

Main field of studies	*Specialization*
Finance	A1N, Second cycle, has only first-cycle course/s as entry requirements

Entry requirements

To be eligible for the course Advanced Corporate Finance the participant must fulfil the entrance qualifications for the Master of Science programme in Economics or Finance.

Learning outcomes

Upon completion of the course the student will

1. have a good understanding of theoretical models on different corporate finance areas such as capital structure, asymmetric information, and corporate governance, and how these areas affect firm decisions
2. have a good understanding of the link between different theoretical models and real world phenomena.

3. based on the course literature, be able to formulate and analyze central corporate finance topics.

Course content

The course aims at providing a thorough survey of theoretical and empirical work in modern Corporate Finance. The course is targeted at students that previously have taken courses in Corporate Finance. The course mainly aims at explaining theories on corporate governance, principal-agency and asymmetric information. Topics covered in the course are:

- A broad overview of corporate governance and corporate financing '

- Outside financing capacity, agency cost, role of net worth, equity multiplier, and capital structure

- Some determinants of borrowing capacity, diversification and incentives, inalienable human capital, re-deployable assets, build-up of net worth.

- Liquidity and risk management,

- Corporate financing under asymmetric information.

This is achieved in two stages. In the first stage the focus is on lectures aiming at familiarizing students with different theoretical models. The second stage includes a case where the aim is to relate models to real world phenomena. This will improve students' ability to analyse, construct and draw conclusions on real world problems and, to emphasize the economic aspects rather than mathematical difficulties. Cases will be introduced during the course.

Form of teaching

Learning outcome 1 is assessed through a written exam.

Learning outcome 2 is assessed through a written case assignment, oral presentation, and a written exam.

Learning outcome 3 is assessed through a written exam.

A student who has failed a test twice has the right to change examiner, unless weighty argument can be adduced. The request shall be sent to the Graduate School and has to

be in writing.

The Graduate School is obliged to offer the exam at least five times during the course of each two year period. Students who have made five unsuccessful attempts to pass an exam have lost the possibility of obtaining the Master of Science Degree.

Language of instruction: English

Assessment

Grades

The grading scale comprises: Pass with Distinction (VG), Pass (G) and Fail (U).
For Pass on the course, pass is required on all three learning outcomes. For Pass with Distinction on the course, pass with distinction is required on at least two learning outcomes, and pass on the remaining learning outcome. The results from the case (worth 30%) and from the written exam (worth 70%) will be weighted together.

Grades are translated with a set model where the grades correspond to the following intervals according to EGIS (ECTS Grade Interpretation Scheme):

Pass with Distinction (väl godkänd, VG)   A-B

Pass (godkänd, G)   C-E

Fail (underkänd, U)   FX-F

Course evaluation

The course will be evaluated upon completion. The results of the evaluation will be communicated to the students and will function as a guide for the development of the course.

Additional information

The syllabus in English is the official binding document.