



GRADUATE SCHOOL

GM1045 Advanced Corporate Finance, 7.5 credits

Avancerad Corporate Finance, 7,5 högskolepoäng

Second Cycle

Confirmation

This course syllabus was confirmed by Graduate School on 2022-03-18 to be valid from 2022-08-29, autumn semester of 2022.

Field of education: Social Sciences 100%

Department: Graduate School

Position in the educational system

The course Advanced Corporate Finance, is a course within the Master of Science programmes at the Graduate School, School of Business, Economics and Law, University of Gothenburg.

Main field of studies

Finance

Specialization

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 the Master of Science programme in Finance. For programme specific entrance requirements, see programme syllabus.

Learning outcomes

On successful completion of the course the student will be able to:

1. understand theoretical models on different corporate finance areas such as capital structure, asymmetric information, and corporate governance, and how these areas affect firm decisions

2. understand the link between different theoretical models and real world phenomena
3. 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

Lectures, lessons, exercises and a case.

Language of instruction: English

Assessment

Learning outcome 1 is assessed through a written exam.

Learning outcome 2 and 3 are assessed through a written assignment (a case) and a written exam.

Individual assignments and exams shall be written individually, cooperation in formulating text, tables, figures etc. is not allowed.

A student who has taken two exams in a course or part of a course without obtaining a pass grade is entitled to the nomination of another examiner. The student needs to contact the department for a new examiner, preferably in writing, and this should be approved by the department unless there are special reasons to the contrary (Chapter 6

Section 22 of the Higher Education Ordinance).

If a student has received a recommendation from the University of Gothenburg for special educational support, where it is compatible with the learning outcomes of the course and provided that no unreasonable resources are required, the examiner may decide to allow the student to sit an adjusted exam or alternative form of assessment.

In the event that a course has ceased or undergone major changes, students are to be guaranteed at least three examination sessions (including the ordinary examination session) over a period of at least one year, but no more than two years, after the course has ceased/been changed.

The number of examinations is limited to five.

Grades

The grading scale comprises: Excellent (A), Very good (B), Good (C), Satisfactory (D), Sufficient (E) and Fail (F).

Pass is required on all examination forms. The grade (A-E) corresponds to the total score a student obtains on the written assignment (30 % of final grade) and the exam (70 % of final exam). To receive a pass grade (A-E) $\geq 50\%$ points is required. The scale is tied to fixed score intervals:

A: 85-100%

B: 75-84%

C: 68-74%

D: 60-67%

E: 50-59%

F: $<50\%$

Course evaluation

The course will be evaluated upon completion. The results of and possible changes to the course will be shared with students who participated in the evaluation and students who are starting the course.