



COURSE SYLLABUS

Finansiering och investering

Corporate Finance

7.5 credits (7,5 högskolepoäng)

Course code: IY2633

Main field of study: Industrial Economics and Management

Disciplinary domain: Technology

Education level: Second cycle

Specialization: AIN - Second cycle, has only first cycle course/s as entry requirements

Language of instruction: English

Applies from: 2023-08-28

Approved: 2023-04-20

1. Decision

This course is established by Dean 2022-12-13. The course syllabus is approved by Head of Department of Industrial Economics 2023-04-20 and applies from 2023-08-28.

2. Entry requirements

Admission to the course requires a Bachelor of Science in Engineering or Bachelor of Science in a technical area. The degree must include a written independent project and at least 15 credits Mathematics/Applied Mathematics and 5 credits in Industrial Economics, Business Administration or the equivalent. Two years of professional experience after the degree. English 6.

3. Objective and content

3.1 Objective

The objective of the course is to develop the student's knowledge and understanding what investments a company should make, how financial risks surrounding these investments can be managed, as well as how different financing strategies can be evaluated. In overall, the course aims to develop knowledge of three main task; financing decisions, investment decisions and cash management.

3.2 Content

The course focuses on models and theories of corporate finance as well as the analytical techniques used to value real and financial investments. This includes calculations of financing solutions for the company's investments (financing decisions), valuation with the purpose of optimizing investment (investment decisions) as well as consideration of how much of the company's profit should be return to owners (dividend decision) to maximize shareholder value. The course includes; analysis of financial statements, the law of one price and arbitrage, investment appraisal, pricing of bonds, valuation of stocks, portfolio selection theory, efficient markets, capital structure analysis, dividend policy, option theory and company valuation via discounting futures cash flows given the company's cost of capital.

4. Learning outcomes

The following learning outcomes are examined in the course:

4.1 Knowledge and understanding

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

- explain models, theories and methods in corporate finance
- explain the principles and purpose of corporate finance and their role in decision-making
- identify the challenges to carrying out a successful business merger or acquisition
- explain the financing process for both new and established firms
- explain various aspects of cash management
- describe and explain pricing of bonds and valuation of shares

4.2 Competence and skills

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

- analyze and solve problems and issues related to corporate finance

- analyze financial reports
- make decisions on how to raise funds for corporate investments (financing decisions),
- use investment assessment in order to optimize investment (investment decision)
- make decisions about reinvesting profits or distributing them (dividend decision)
- value companies using the discounted cash flow model and company cost of capital
- use portfolio selection theory to optimise risk and return
- use option theory for risk management

4.3 Judgement and approach

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

- critically reflect on how models and theories in corporate finance influence management decisions
- evaluate different forms of capital budgeting and investment decision, forms of financing and company valuation from a theoretical perspective and practical perspective

5. Learning activities

Teaching consists of online lectures and learning activities such as reading course literature and work on submissions.

6. Assessment and grading

Modes of examinations of the course

Code	Module	Credits	Grade
2310	Written assignment 1	2 credits	GU
2320	Written assignment 2	2 credits	GU
2330	Online examination[1]	3.5 credits	AF

[1] Determines the final grade for the course, which will only be issued when all components have been approved.

The course will be graded A Excellent, B Very good, C Good, D Satisfactory, E Sufficient, FX Fail, supplementation required, F Fail.

The information before a course occasion states the assessment criteria and make explicit in which modes of examination that the learning outcomes are assessed.

An examiner can, after consulting the Disability Advisor at BTH, decide on a customized examination form for a student with a long-term disability to be provided with an examination equivalent to one given to a student who is not disabled.

7. Course evaluation

The course evaluation should be carried out in line with BTH:s course evaluation template and process.

8. Restrictions regarding degree

The course can form part of a degree but not together with another course the content of which completely or partly corresponds with the contents of this course.

9. Course literature and other materials of instruction

Berk, J. & DeMarzo, P., Corporate finance, Global edition, latest edition, Pearson.
Scientific articles and other material of maximum 400 pages.

10. Additional information

This course replaces the course IY2629