



APPLIES TO ACADEMIC YEAR 2013/2014

GRA 6541 Advanced Corporate Finance

Programme

Master of Science in Business, Master of Science in Business (Finance), Master of Science in Financial Economics, Specialization Course

Responsible for the course

Danielle Zhang

Department

Department of Financial Economics

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

This course deals with contemporary issues in corporate financial theory and related empirics. We will focus on capital structure, corporate financial strategy, payout policy, and corporate restructuring. Many of the topics studied are in fast-changing areas of practice and regulation. The course covers selected classic and current theoretical and empirical research to introduce you to the latest developments in the field.

Learning outcome

The main objective is to provide an advanced background and deeper understanding in the mainstream issues of modern corporate finance. The course covers some theoretical and legal issues, but its main focus is on empirical research and insights. In three group assignments you will apply your knowledge and your skills to three different types of tasks in the field of corporate finance, namely regression analysis, case study and event study.

Active participation in and a strong commitment to this course are a prerequisite. You are expected to present pieces of the literature as well as your own results, ask questions, mention doubts and express your ideas in the class discussion.

Prerequisites

Microeconomic theory (GRA6031 Microeconomics or equivalent)

Compulsory reading

Other:

Academic journal articles constitute the primary material for the course. The reading list will be available online at the beginning of the course.

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Recommended reading

Books:

Berk, Jonathan, Peter DeMarzo. 2011. Corporate finance. 2nd ed. Pearson. (Chapter 14, 15, 16, 17, 23, 24, 25, 28)

Copeland, Thomas E., J. Fred Weston and Kuldeep Shastri. 2005. Financial theory and corporate policy. 4th ed. Pearson Addison-Wesley. (Chapter 12, 13, 15, 16, 17, 18, 20)

Ogden, Joseph P., Frank C. Jen, Philip F. O'Connor. 2003. Advanced corporate finance : policies and strategies. Prentice Hall. (Chapter 3, 4, 5, 6, 9, 11, 12, 13, 14, 16, 17, 18)

Course outline

- Capital Structure
- Taxes and Corporate Finance
- Venture Capital and Private Equity
- IPOs
- Corporate Payout Policy
- M&A
- Corporate Restructuring and Refocusing
- Behavioral Corporate Finance

Computer-based tools

Eviews, Excel spreadsheets, It's learning, Google Scholar

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

Lectures and class discussions. Students are expected to prepare for the lecture by reading assigned papers and participate actively in the discussions. There will be three empirical group assignments and one group presentation. Most learning will take place through student discussions of papers and three group assignments.

Please note that it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning.

Examination

Your course grade will be based on the following activities and weights:

- 20% Individual class participation (questions and discussions)
- 30% group grades (equally weighted average of the three group assignments)
- 50% Final exam (2 hours)

In this course class attendance is mandatory. Unexcused absence can result in a lower score for the class participation part. Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for assignments or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

GRA 65411 continuous assessment accounts for 100% of the grade in GRA 6541

Examination support materials

A bilingual dictionary and BI-approved exam calculator.

Exam aids at written examinations are explained under exam information in the student portal @bi. Please note use of calculator and dictionary in the section on examaids

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

Additional information

Honor Code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.