

Syllabus

Course description

Course title	ADVANCED CORPORATE FINANCE
Course code	25401
Scientific sector	SECS-P/09
Degree	LM-77 Accounting and Finance
Semester and academic year	2nd semester 2024-2025
Year	1
Credits	9
Modular	No

Total lecturing hours	54
Total lab hours	-
Total exercise hours	-
Attendance	Highly recommended, although not compulsory
Prerequisites	Financial analysis, corporate finance and any introductory course in finance that covers basic concepts in financial analysis, capital budgeting and firm valuation
Course page	https://www.unibz.it/en/faculties/economics-management/master-accounting-finance/

Specific educational objectives	<p>Advanced Corporate Finance is a first-year course for students attending the M.Sc. in Accounting and Finance. The course is designed to provide the student with an advanced background of capital raising transactions and business valuation. Examples of questions and topics we will address in class are: When and why a firm raises capital? Which type of security it will select and sell to investors? How should firm directors (CEO or CFO) or the board of administrators consider financial decisions? How to estimate the value of the firm?</p> <p>Firms raise capital for many reasons to finance investments required by their strategy and business activities. The course will examine various types of internal and external financing methods, from internally generated free-cash flows to external sources such as bank loans, bond issues, hybrid convertible instruments to alternative types of equity issues. The class will also examine when, why and which firm may decide to use high leverage transactions as are leverage and management buyouts. Along with the technical aspects of financial decisions, the course will also cover how to evaluate the impact of important</p>
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determinants of a firm’s financing: the role of taxes, legal and regulatory constraints, governance and corporate control issues. The main methodologies of corporate valuation are analyzed and the approaches commonly used by practitioners (financial analysts, investment and merchant banks, consulting firms) are discussed

Advanced Corporate Finance main educational objectives are to provide students with a sound understanding of illustrated topics and be able to handle and manage straightforward as well as complex financing decisions in a wide range of enterprises and business activities. Thus, at the end of the course students would be equipped to analyze financing decisions of small and large non-financial firms, bank and financial intermediaries, and other for-profit and non-profit institutions. Students will learn the big issues in designing financial strategies that apply to a contractual relationship with a local bank to arm’s length transactions in global capital markets.

Lecturers	<p>Peter Alfons Schmid (36h) – Course coordinator peteralfons.schmid@unibz.it https://www.unibz.it/de/faculties/economics-management/academic-staff/person/44766-peter-alfons-schmid</p> <p>Francesco Reggiani (18h) francesco.reggiani@unibz.it https://www.unibz.it/de/faculties/economics-management/academic-staff/person/48024-francesco-reggiani</p>
Lecturers’ Scientific sector	13/B4 - SECS-P/09 – Corporate Finance
Teaching language	English
Office hours	27 Please refer to the lecturers’ web page
Lecturing assistant	-
Teaching assistant	-
Office hours	-
List of topics covered	<p>The main subject areas covered in the course are: The costs and benefits of alternative financing techniques: bank loans, bond issues, highly leverage transactions (LBOs), equity issues. The main methodologies of business valuation: DCF, residual income model and market multiples.</p>
Teaching format	<p>Classroom activity will alternate background lectures, case study sessions, student coursework presentation (both at individual and small groups) and simulations of financing transactions.</p> <p>The course will use a combination of lectures, technical notes, outside readings, case discussions, and simulations to study advanced corporate finance. Class participation and active discussion is both expected and encouraged. Students are expected to have thoroughly read all the</p>

	assigned material in advance of the class to ensure better understanding of the issues involved and to have meaningful class participation. Students should carefully read and be prepared to discuss all assigned cases.
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Learning outcomes	<p>LEARNING OUTCOMES:</p> <p><u>Knowledge and understanding:</u></p> <ul style="list-style-type: none"> • Knowledge and understanding of the methodologies necessary for analyzing business financial decisions. These methods encompass valuation, risk analysis and forecasting under uncertainty. Students will learn how to compare the costs and benefits of alternative financing solutions and be able to propose and defend them. <p><u>Applying knowledge and understanding:</u></p> <ul style="list-style-type: none"> • Ability to use modern finance theory, financial models, statistical and analysis applied to capital raising decisions and business valuation. Understanding how financial markets and intermediaries work for supplying capital to business activities. <p><u>Making judgement:</u></p> <ul style="list-style-type: none"> • Ability to use the adequate tools in the analysis of complex situation and in making decisions. <p><u>Communication skills:</u></p> <ul style="list-style-type: none"> • Ability to communicate the results of complex analyses also to non-experts. • Ability to analyze and think about sound capital raising decisions, and to defend these decisions with analytical reasoning. <p><u>Learning skills:</u></p> <ul style="list-style-type: none"> • Ability to search for and find the financial and economic information necessary to make informed decisions as consultant or financial manager.
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Assessment	<p><u>1st exam session: Written exams consisting of an optional midterm (2/3) and a final exam (1/3)</u> <u>2nd and 3rd exam session: Written final exam (100%)</u></p> <p><u>Detailed information about the exam structure and content will be announced by the start of the course.</u></p>
Assessment language	English
Evaluation criteria and criteria for awarding marks	The exams are evaluated according to correctness, relevance and clarity of answers, ability to summarize,

	evaluate, and establish relationships between problems, their models, and results of the solution procedure.
Required readings	J.Berk and P. DeMarzo (2023), Corporate Finance – Global edition, 6th edition, Pearson. J. E. Pinto (2020), Equity Asset Valuation, 4 th edition, Wiley.
Supplementary readings	Teaching slides and case studies to be downloaded from OLE.