

Subject:				
Corporate Finance				
ECTS code	Semester	Faculty: Finance		
	3	Major: Finance and Accounting		
		Corporate Finance and Accounting		
Faculty				
Lecture: Joanna Wyrobek				
Classes: Joanna Wyrobek				
System of studies:				
full time, first degree				
Subject status	Pass requirement	Number of contact hours		ECTS points
		Lectures	Classes	
Concentration	exam	15	30	6
Teaching language				
English				
Subject provisions and objectives (including the expected can-do of students on completion of the course)				
Basic maths				
Teaching curriculum (in case of prescribed subjects, compliance with the standards, maximum 15 topics)				

0. Introduction

1. Legal forms of firms in Poland

2. Public limited company or joint-stock company or stock corporation (spółka akcyjna)

- 2.1. Private limited company or limited liability company (spółka z ograniczoną odpowiedzialnością)
- 2.2. Registered partnership or general partnership (spółka jawna)
- 2.3. Professional partnership (spółka partnerska)
- limited partnership or partnership in commendam (spółka komandytowa)
- 2.4. Limited joint-stock partnership or partnership limited by shares (spółka komandytowo – akcyjna)
- 2.5. Civil partnership or civil-law partnership (spółka cywilna)

3. Polish financial statements

- 3.1. Balance sheet
- 3.2. Profit and loss account
- 3.3. Cash flow statements
- 3.4. Funds flow statement
- 3.5. Additional information

4. Financial ratios

- 4.1. Liquidity ratios
- 4.2. Profitability ratios
- 4.3. Debt ratios
- 4.4. Activity ratios
- 4.5. Market ratios.
- 4.6. Leverages and risk ratios

5. Capital budgeting decisions

- 5.1. NPV
- 5.2. IRR
- 5.3. MIRR
- 5.4. PR

6. Principles of stock and bond valuation

- 6.1. Gordon – Shapiro model.
- 6.2. Two-stage stock valuation model.
- 6.3. Three –stage stock valuation model.
- 6.4. CAPM.
- 6.5. APT.
- 6.6. Bond valuation model.
- 6.7. IRR of a bond.
- 6.8. IRR of short-term commercial papers.
- 6.9. Do operational liabilities cost?

7. Cost of capital

- 7.1. WACC
- 7.2. Hamada's formula and Brealey – Myers formula for unlevered betas.

8. Capital structure

- 8.1. MM theorems.
- 8.2. Agency theory.
- 8.3. Asymmetric information.
- 8.4. Capital structure optimising model.

9. Cash and working capital management

- 9.1. Classical EOQ model and model with modifications
- 9.2. The cost of lost discounts.
- 9.3. Inventory reserve.
- 9.4. BAT

Class topics (maximum 15 topics)

0. Introduction

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Introductory topics

Teaching methods
Lecture, discussion, class projects
Basic literature and other sources
<ol style="list-style-type: none"> 1. Brealey, Myers, "Principles of corporate finance", McGraw-Hill, New York, 1996. 2. Francis, Taylor, "Investments", Mc-Graw Hill, New York, 1992. 3. Gitman, "Principles of managerial finance", Reading, Massachusetts, 2002. 4. Lease, Kose, Kalay, Loewenstein, Sarig, "Dividend policy – its impact on firm value", Harvard Business School Press, Boston, Massachusetts, 1999. 5. Reuters "An introduction to bond markets", Reuters, 1999. 6. Reuters "An introduction to foreign exchange and money markets", Reuters, 1999. 7. Ross, Westerfield, Jordan "Fundamentals of corporate finance", Mc-Graw Hill, New York, 1998. 8. Shim, Siegel, "Financial management – second edition", McGraw – Hill, New York, 1998. 9. Ward, Bender, "Corporate financial strategy", Butterworth, Heineman, Oxford, 2002. 10. Class material, case studies. <p>Any other book dedicated to corporate finance that covers the topics in the appropriate amount of detail.</p>
Pass requirements for signature/examination
<ol style="list-style-type: none"> 1. Completed more than 50% of the final exam 2. 80% of class attendance
Examples of questions for tests and examinations
<ol style="list-style-type: none"> 1. Explain assumptions of the CAPM theory. 2. How to calculate YTM of a bond. 3. Explain components of the WACC formula. 4. Enumerate methods of investment project evaluation. 5. Discuss determinants of interest rates. 6. Explain working capital strategies.