

CORPORATE FINANCE

28C00100

Fall 2016

Course objective: The purpose of the course is to provide a basic understanding of the decisions facing the financial management of a business enterprise.

Prerequisites: Introduction to Finance (Rahoituksen perusteet, 28A00110).

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Class times and location: Lecture class meets on Tuesdays and Thursdays at 13:15-14:45, exercise class on Tuesdays at 15:15-16:45 and demo class on Thursdays at 15:15-16:45. All sessions will be held at *Y205 at Otakaari 1*.

Textbook: Brealey, R., S. Myers, and F. Allen, Principles of Corporate Finance, McGraw-Hill, 12th international edition (or any of the 6th-11th editions), chapters 14-19, 25, 28-33. In addition, students are assumed to be familiar with the material in chapters 1-13 of the 12th edition to be able to thoroughly understand the course material.

Exercise sets: There will be four exercise sets, due before the lecture (13:15 sharp!) on the due dates indicated below. They can also be delivered to the course mailbox on the second floor of Chydenia by 11:00 on the due date. Exercises can be done individually or in groups consisting of no more than three (3) students (no exceptions!). Co-operation in preparing answers to the exercises between groups (or individuals not belonging to the same group) is strictly prohibited. The exercises constitute 50% of the course grade.

Exam: The exam will cover the lectures, exercises, assigned chapters from the textbook, and any additional materials discussed during lectures. The remaining 50% of the course grade will be based on the exam. It will be held on October 27, 2016 at 13:00-16:00. There will be one make-up exam on December 21, 2016 at 13:00-16:00.

Passing the course: In order to pass the course, a student is required to: (1) pass the exercises; and (2) pass the exam. This requires that the student receives (1) at least 20 points from the exercises and (2) at least 20 points from the exam.

Privacy policy: Exercise and exam grades will be displayed on the course web site. While students are asked to include their names and student numbers in their exercise reports, the names or student numbers will not be posted on the web site unless no other identifying information is available. To make this possible, all students are asked to give an individual (*not* group) alias name that will be used in reporting the grades. The alias must not be confused with a student number, and it should not consist solely of digits. If two or more students give identical aliases, the course assistant will assign suffixes to the aliases to distinguish them (e.g. identical aliases "MyAlias" would be changed to

"MyAlias-A" and "MyAlias-B"). The students will be informed about the change in their aliases by e-mail.

Retrieving course materials:

- Textbook: Bookstore, Amazon or library
- Lecture slides: Course page
- Demos and exercises: Course page
- Demo session slides: Course page

Tentative schedule: We may *deviate* from the schedule depending on the pace the class is comfortable with. Please read the assigned material before the class. The chapter numbers follow the 12th edition of the textbook.

Date	Content
<i>Lecture 1:</i>	
Sep 13	Introduction to class and overview of corporate finance Readings: Chapters 14-15
<i>Lecture 2:</i>	
Sep 15	How corporations issue securities Readings: Chapter 15
<i>Lecture 3:</i>	
Sep 20	Guest lecture by Antti Niini, Goldman Sachs: Initial public offerings Readings: Presentation slides by Mr. Niini
<i>Lecture: 4</i>	
Sep 22	Payout policy Readings: Chapter 16
<i>Demo 1:</i>	
Sep 22	How corporations issue securities & Payout policy
<i>Lecture 5:</i>	
Sep 27	Capital structure Readings: Chapter 17
<i>Exercise 1:</i>	
Sep 27	How corporations issue securities & Payout policy
<i>Lecture 6:</i>	
Sep 29	Capital structure and valuation Readings: Chapters 18-19
<i>Demo 2:</i>	
Sep 29	Capital structure and valuation

Lecture 7:

Oct 4 **Leasing**
Readings: Chapter 25

Exercise 2:

Oct 4 **Capital structure and valuation**

Lecture 8:

Oct 6 **Financial planning**
Readings: Chapters 28-29

Demo3:

Oct 6 **Leasing & Financial Planning**

Lecture 9:

Oct 11 **Working capital management**
Readings: Chapter 30

Exercise 3:

Oct 11 **Leasing & Financial Planning**

Lecture 10:

Oct 13 **Mergers and Acquisitions**
Readings: Chapter 31

Demo 4:

Oct 13 **Working capital management & M&A**

Lecture 11:

Oct 18 **Guest lecture by Bain&Company Partner: Growth and value creation through M&A**
Readings: Presentation slides by Bain

Exercise 4:

Oct 18 **Working capital management & M&A**

Lecture 12:

Oct 20 **Control, governance and corporate restructuring**
Readings: Chapters 32-33

Oct 27 **Exam 1 (13:00-16:00)**

Dec 21 **Exam 2 (13:00-16:00)**
