University of St Andrews

SCHOOL OF MANAGEMENT **2023-24**

MN5442 – Corporate Financial Management

MODULE TYPE/SEMESTER: Core (20 credits), Semester 1

MODULE CO-ORDINATOR: Dr Linh Nguyen

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AIM:
The course is designed to introduce students to the concepts of financial decision-making in uncertain domestic and global markets, as well as providing them with a set of tools and techniques for use in financial analysis.

Graduating students in business and management who ultimately work in major corporations, small companies, governmental entities, or non-profit organisations will need to understand the implications of their financial decision making for their firm value and/or effectiveness of their organisation. Generally, these decisions are made under conditions of great uncertainty. Managers must understand the role cash flow plays in creating firm value and be able to analyse, utilize and monitor financial statements and understand how their financial decisions impact on the future profitability and survival of the company.

METHOD OF TEACHING AND LEARNING:
One two-hour lecture per week, supplemented by tutorials.

LEARNING OUTCOMES:
By the end of the course, participants should have a strong grasp of the following concepts and subject matters:

- Main sources of financing for firms
- Key analytical techniques involving the time value of money and securities valuations
- Financial assessments of potential capital investments
- Risk and return
- Capital structure and cost of capital

INDICATIVE TOPICS:

- Week 1: Financial Markets and the Corporation
- Week 2: The Time Value of Money
- Week 3: Valuing Bonds
- Week 4: Valuing Stocks

- Week 5: Debt Policy
- Week 6: Independent Learning Week (self-study)
- Week 7: Risk and Return
- Week 8: Capital Budgeting
- Week 9: Investment Decision Rules
- Week 10: International Financial Management
- Week 11: Revision Lecture
- Week 12: Independent Revision (self-study)

ASSESSMENT:

- A class test (25%)
- A written assignment (25%)
- Two-hour written examination (50%)

READING LIST:

CORE TEXTBOOK:

- Berk, J. and DeMarzo, P. (2020) *Corporate Finance*. 5th ed. Pearson Education. ISBN-13: 978-1292304151.

SUPPLEMENTARY TEXTBOOK:

- Brealey, R.A., Myers, S.C., and Allen, F. (2020) *Principles of Corporate Finance.* 13th ed. London: McGraw-Hill Education. ISBN-13: 978-1260565553.

Additional reading materials will be provided in the lectures.

Organisation of courses may be subject to change without notice.