# . – Corporate Finance

## Proff. Luca Di Simone

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course intends to provide the basic elements to understand the main decisions in corporate finance, with reference to corporate investment decisions. The course combines the robustness of the theoretical framework and basic technical elements of corporate finance instruments (in particular: debt and equity financial instruments) with the operational reality of companies and the concrete ways in which corporate finance functions operate.

At the end of the course students will be able to:

* recognise and understand the most important financial issues a company has to face, from the point of view of the lender and the borrower;
* formulate cost-effectiveness analyses of the most relevant financial decisions, with particular emphasis on investment projects and capital budgeting;
* adopt methods and models for evaluating investments and financing.

***COURSE CONTENT***

* Value of money over time.
* Interest rates and capitalisation schemes.
* Introduction to the net present value method of assessment (NPV).
* Evaluation of an investment project and alternative criteria to NPV.
* Evaluation of shares, bonds and corporate assets.
* Opportunity cost of capital and capital budgeting.
* Capital markets and risk pricing.
* Relationship between risk and return.

***READING LIST[[1]](#footnote-1)***

R. Brealy-S. Myers-F. Allen-S. Sandri, *Principi di finanza aziendale 1*, latest edition, McGrow-Hill. [*Acquista da VP*](https://librerie.unicatt.it/scheda-libro/stewart-c-myers-richard-a-brealey-franklin-allen/principi-di-finanza-aziendale-9788838695711-686161.html)

The detailed programme (syllabus) containing the chapters of the book on which the course will be based, will be indicated at the beginning of the course and posted on the course page on Blackboard.

***TEACHING METHOD***

The course consists of lectures and exercises which focus on both theoretical and technical aspects of the subject. There will also be group work to develop technical skills and the ability to work in a team.

***ASSESSMENT METHOD AND CRITERIA***

The assessment of skills and knowledge acquired during the course will be carried out by means of a written test containing practical exercises and open-ended questions. The mark will be expressed in thirtieths.

Students may supplement the mark for the written test with an oral test. Assessment will take into account any group work.

The assessment of the tests (written, oral and group work) will consider the accuracy and quality of students’ answers as well as the appropriateness of language and ability to support statements, analysis and opinion.

***NOTES AND PREREQUISITES***

Students should have basic mathematical/financial knowledge related to interest rates and capitalisation schemes. Students should also have a basic understanding of the main concepts of descriptive statistics.

Further information can be found on the lecturer's webpage at http://www2.unicatt.it/unicattolica/docenti/index.html, or on the Faculty notice board.

Information on office hours available on the teacher’s personal page at <http://docenti.unicatt.it/>.

1. The books in the reading list are available at the University bookshops; they can also be purchased from other retailers. [↑](#footnote-ref-1)