# Corporate Financing

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

The course aims to illustrate to students the main methods for raising equity (specifically through IPOs and private equity) and debt (in particular, trade financing, factoring, leverage finance, syndicated and bond loans). The analytical perspective is that of banks active in corporate & investment banking that structure and manage such transactions.

The different forms of financing, the mechanisms for determining the price of transferable securities subject to placement, the criteria for allocating securities among various categories of investors, syndication strategies, and remuneration of intermediaries will therefore be analysed.

At the end of the course, the student will:

1. understand the different ways in which a company raises capital in the securities market and from credit intermediaries and will understand the strategies adopted by intermediaries for the management of capital raising operations by companies;

2. apply the acquired knowledge in determining, for example. the placement price of a security, defining the best syndication strategy, and maximizing the intermediary's remuneration;

3. formulate judgments (also on the basis of partial information) in relation to capital raising operations that have actually been performed;

4. use appropriate technical language that will enable them to communicate the acquired knowledge clearly and effectively;

5. have developed their learning skills to such an extent that they will be able to carry out further more detailed study of the financial world independently.

***COURSE CONTENT***

Debt capital

1. Corporate & investment banking: operational areas and players

2. Corporate financial decisions and the role of agency costs and information asymmetries.

3. Credit risk and rating.

4. Short-term financing: factoring and trade financing.

5. Syndicated loans.6. Bond issues.7. Leverage financing.

Equity capital

1. Outline of company evaluation.

2. Initial public offerings (IPOs).

 a. Structure of the operation.

 b. Techniques for determining the price.

 c. Syndicate.

3. Equilty capital increase

4. Private equity.

 a. Structure of funds.

 b. Venture capital

***READING LIST***

G. Iannotta, *Intermediari finanziari e mercato dei capitali,* Vita e Pensiero, 2015.

Supplemental material uploaded by the professors on Blackboard.

***TEACHING METHOD***

Frontal lectures and contributions from experts. There will also be exercises on certain parts of the course.

***ASSESSMENT METHOD AND CRITERIA***

A final written exam lasting 40 minutes and consisting of ten multiple-choice questions with four alternative answers (of which only one is correct). Each correct answer is assigned 3 points (there are no penalties for missing or incorrect answers). For the purposes of awarding honors, the students must correctly answer an additional ad hoc question.

The exam is not intended to ascertain the student's mnemonic knowledge of the topics covered, but rather their true understanding of the fundamental concepts learnt during the course. Some questions also include the solution of numerical problems.

The exam, held at the end of the course, is the same for both attending and non-attending students.

***NOTES AND PREREQUISITES***

Students should have knowledge of acquired from the Economics and bank management (or Economics and financial intermediaries) three-year degree course.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.