**Corporate Finance (asset pricing and corporate financing)**

## Prof. Stefano Bozzi

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

The aim of the course is to provide students with advanced elements for understanding the main decisions in Corporate Finance. The course is intended to provide an in-depth look at the topics listed, which would have been partly introduced in the three-year degree courses. At the end of the course, students will:

1. have acquired the knowledge and understanding of advanced concepts of the subject, which can be used to interpret the main corporate financial decisions.

2. have learnt how to apply this knowledge in order to make investment and corporate financing decisions.

3. have acquired the ability to collect and interpret data deemed useful as a basis for investment and financing decisions, and to make independent judgments in this area.

4. have acquired a technical language that allows them to communicate their acquired knowledge clearly and effectively.

***COURSE CONTENT***

The course syllabus is structured as follows:

1. Revision of the basic notions of corporate finance.
2. *The financial structure.*
3. Application insights: preparation of the business plan and cash flows for the evaluation of the company or individual investments
4. Application insights: the calculation of the opportunity cost of capital.
5. Dividend policy
6. Financial options. The notion of derivative instruments. Options payoffs. Evaluation of financial options.
7. Risk management. The tools for managing corporate risk.

***READING LIST***

S. Ross-D. Hillier-R. Westerfield-J. Jaffe-B. Jordan, *Corporate Finance,* 3rd ed., McGraw Hill Italy, 2018.

J. Berk-P. DeMarzo-O. Morresi-D. Venanzi, *Finanza Aziendale 2*, Pearson/Prentice Hall 4th Edition.

***TEACHING METHOD***

Frontal lectures (60 hours, divided into 6 hours x 10 weeks). Lectures include theoretical presentations and tutorials aimed at demonstrating practical applications.

***ASSESSMENT METHOD AND CRITERIA***

A written exam during the official exam session, comprising exercises that require the execution of calculations and "theoretical" - mostly open-ended - questions; the "theoretical" questions may also require the execution of simple calculations. The exercises and questions will carry the same general weight in the overall exam assessment.

Interim tests are not foreseen.

The assessment criteria on which marks are based are: knowledge of course content; ability to apply and critically elaborate what has been learned; ability to link the theoretical contents presented to practical applications; and ability to formulate and communicate independent judgments.

In assessing the individual tests and attributing the mark, reference will be made to a learning assessment scale. To pass, students must demonstrate sufficient, but general, knowledge of course contents, a simple presentation style, and confidence in applying the theoretical concepts and specific techniques and methodologies of advanced corporate finance. To achieve the top mark (and a distinction), students must demonstrate very extensive, complete and in-depth knowledge of course contents, a consolidated ability to apply contents, excellent skill at applying the techniques and methods of advanced corporate finance, and an ability to make interdisciplinary connections using masterful presentation skills.

The examination commission, at its discretion, may request a supplementary oral exam on the whole course syllabus if there are doubts regarding the contents of the written exam that may compromise the assessment. This possibility is communicated to students in conjunction with the presentation of the written exam results. Any student who refuses to take the oral exam relinquishes the mark they obtained in the written exam. The supplementary oral exam will take place without delay on the date set by the Commission.

***NOTES AND PREREQUISITES***

Regular attendance at lectures, accompanied by gradual study (and the execution of the exercises indicated in class) makes both learning for and passing the exam much easier. Students are strongly advised to take this fact into account when planning their study activities.

The Blackboard platform will be used to distribute teaching material, to communicate exam results, and to publish all notices related to the course.

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.