

H8CORFIN: Corporate Finance

Module Code:	H8CORFIN
Long Title	Corporate Finance DRAFT
Title	Corporate Finance
Module Level:	LEVEL 8
EQF Level:	6
EHEA Level:	First Cycle
Credits:	10
Module Coordinator:	
Module Author:	JOE NAUGHTON
Departments:	
Specifications of the qualifications and experience required of staff	
Learning Outcomes	
<i>On successful completion of this module the learner will be able to:</i>	
#	Learning Outcome Description
LO1	Demonstrate knowledge of the fundamentals of investment analysis, in particular the theory of time value of money
LO2	Demonstrate understanding of the theoretical and practical considerations inherent in the capital investment decision
LO3	Evaluate different types of securities and pricing of bond and equity securities
LO4	Develop and critically assess appropriate strategies intended to effectively manage an organisation's corporate financing including issuing securities
LO5	Examine the significant interrelationships between mergers, acquisitions and corporate control within the firm.
LO6	Critically evaluate the theoretical and practical issues inherent in financial planning and investment decisions.
Dependencies	
Module Recommendations	
No recommendations listed	
Co-requisite Modules	
No Co-requisite modules listed	
Entry requirements	

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Module Content & Assessment			
Indicative Content			
Introduction to Corporate Finance: Week 1 • Role of the Financial Manager, Corporate Financier, Research Analyst, • Financial Management Decisions • Forms of Business Organisation – Sole Proprietor, Partnership, Corporations • Corporate Finance Transactions, Chinese Walls • Agency Problems			
Investment Analysis – Fundamentals of Security Valuation: Week 2 - 3 • Time Value of Money – Net Present Value as a method of Investment Appraisal • NPV and other Investment Criteria – Payback Rule, IRR, DCF, Accounting Returns, Profitability Index • Perpetuities and Annuities • Gordon's Growth Model • Introduction to Real Options for investment appraisal			
Working Capital: Week 4 • Working Capital Management – sources of funding • Links between Long and Short Term Financing • Changes in Cash and Working Capital • Poor working capital management and its consequences and remedies • Cash Budgeting and Cash Management • Cash Conversion Cycle - estimation of the length of the CCC from financial statements • Models for cash management: Baumol and Miller Orr Models			
Financial Analysis and Planning: Week 5 • Analysing Financial Statements – Ratio Analysis • Measuring Company Performance – Liquidity, Solvency, Profitability • Time-trend analysis and Peer Group Analysis • Financial Growth and Planning			
Risk and Return: Week 6 • Portfolio Risk, Diversification, Mean Variance Analysis, Capital Asset Pricing Model, Arbitrage Pricing Theory • Credit Risk, Bond Ratings, Default Probability and Loss Given Default			
Valuing Equity: Week 7-8 • Common Stock Characteristics • Stock Market • Book Value, Liquidation Values and Market Values • Valuing Common Stocks - Dividend Discount Models, Free Cash Flow Models • Growth and Income Stocks			
Debt Financing and Bonds: Week 9 • Short Term Sources of Finance (Bank Loans, Commercial Paper, Secured Loans) • Long term debt finance • Credit risk, Security • Leasing • Bond Characteristics, Bond Prices and Duration • Nominal and Real rates of Interest – Inflation • The Yield Curve • Effective Annual Interest Rates • Future Values and Compound Interest			
Dividends and Mergers and Acquisition Activity: Week 10-11 • The Dividend Decision • Merger/Acquisition Decision • Shareholder value and economic value added • Motives for mergers • Evaluation mergers and tactics for mergers • Leverage and Capital Structure • Weighted Average Cost of Capital Evaluation (WACC) • 'Irrelevance' Argument • The Optimal Corporate Structure			
How Corporations Issue Securities: Week 12 - 13 • Venture Capital • Initial Public Offerings (IPO's) • Underwriters • General Cash Offers by Public Companies • The Private Placement			
Assessment Breakdown			%
Coursework			30.00%
End of Module Assessment			70.00%
Assessments			
Full Time			
Coursework			
Assessment Type:	Project	% of total:	30
Assessment Date:	n/a	Outcome addressed:	1,2,3,4,5
Non-Marked:	No		
Assessment Description: The continuous assessment will be a project based assignment focusing on a real world corporate finance case. The Learner must show a clear understanding of the underlying areas within corporate finance to which the case/information pertain. They must also demonstrate a comprehensive knowledge of the case at hand and be capable of critically evaluating the evidence. The Learner must present his/her findings in a clear and coherent manner			
End of Module Assessment			
Assessment Type:	Terminal Exam	% of total:	70
Assessment Date:	End-of-Semester	Outcome addressed:	1,2,3,4,5,6
Non-Marked:	No		
Assessment Description: End-of-Semester Final Examination			
No Workplace Assessment			

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Module Workload				
Module Target Workload Hours 0 Hours				
Workload: Full Time				
Workload Type	Workload Description	Hours	Frequency	Average Weekly Learner Workload
Lecture	No Description	4	Every Week	4.00
Independent Learning	No Description	198	Once per semester	16.50
Total Weekly Contact Hours				4.00
Workload: Part Time				
Workload Type	Workload Description	Hours	Frequency	Average Weekly Learner Workload
Lecture	No Description	4	Every Week	4.00
Independent Learning Time	No Description	198	Once per semester	16.50
Total Weekly Contact Hours				4.00

Module Resources	
<i>Recommended Book Resources</i>	
Brealey R.A., and Myers S.C., Marcus A.. (2014), Principles of Corporate Finance, 11th. McGraw Hill.	
<i>Supplementary Book Resources</i>	
Ross, S.A.. Randoph, W.W., Jaffe, J. & Jordan, B.D. (2008), Modern Financial Management, McGraw Hill. Ross, S.A., Westerfield R.W. & Jordan, B.D. (2008), Essentials of Corporate Finance, McGraw Hill.	
<i>This module does not have any article/paper resources</i>	
<i>This module does not have any other resources</i>	
Discussion Note:	