

Corporate Finance

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Course Objectives

Corporate Finance course is a crucial core subject that is taught in executive programs of management and economics schools. The course introduces corporate finance and elaborates on basic principles of finance, financial valuation and analysis. These concepts are then applied on real-life problems of financial management in domestic and international settings.

Knowledge and skills after completing the course

The course will expose students to a wide range of corporate finance topics. It is designed for students who have little or no prior knowledge of corporate finance. Participants in the course will develop analytical reasoning skills that will enable them to identify and consider competing financial concerns in managerial process.

Course format and teaching methods

The course will focus on particular approaches to corporate finance, how they are put to practice and to which extent they prove successful. In addition, specific examples will be given and cases discussed in order to make students aware of the importance of understanding the interdependence of basic aspects of corporate finance which include: return attributes of individual corporate projects, financial statement analysis, financing the firm's operations, including capital structure policy, dividend policy and the design of financial instruments.

Integration of Theory with Practice; Relationship with other Courses

The course is not only theoretical in nature. Corporate Finance gives students an understanding of typical problems found in real life, documented by a wealth of cases of domestic and international companies.

Course content

- a) The financial approach to Balance Sheet and Profit and Loss Statements
- b) Financial health analysis: how to map strengths and weaknesses of a firm
- c) Evaluating internal cash flows and working capital management
- d) Financial planning (planning of financial needs)
- e) Dividend policy
- f) The choice of optimal capital structure, capital structure policy
- g) Discount Cash Flow (FCFF, FCFE, EVA, DDM) , calculating the value of a firm
- h) How to calculate the cost of equity
- i) How to calculate the cost of debt finance
- j) Return and risk: The Capital Asset Pricing Model (CAPM)

Exam

Regularly written exam. In addition written homework and presentation.

Reading list

- Kislingerova, E.: Oceňování podniku. 2. přepracované a rozšířené vydání. Praha, C.H. BECK 2001. ISBN 80-7179-529-1.
Brealey, R. A. - Myers, S.C.: Teorie a praxe firemních financí. Computer Press 2000. ISBN 80-7226-189-4.
Kislingerova, E. - NEUMAIEROVÁ, I.: Rozbor výkonnosti firmy (případové studie). VŠE Praha 2000. ISBN 80-245-0027-2.
Synek, M. a kol.: Podniková ekonomika. C. H. BECK 2000. 2. přepracované vydání. ISBN 80-7179-388-4.
Steward, B.G.: The Quest for Value. U.S.A., Stern Stewart&Co.1998. ISBN 088730-418-4.