

Corporate Finance

UGRA_003962

Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	4
Teacher responsible	Lydia Ros Frizón - lydia.ros@esade.edu

Course Goals

Upon completing this course students should be able to:

- Recognise the determining factors for the creation of value for shareholders
- Model and structure knowledge so as to be able to apply it to investment selection processes and company appraisals.

Previous knowledge

Introductory and compulsory courses in Accounting and Financial Analysis, Financial Economics, Microeconomics and Macroeconomics.

Prerequisites

Introductory and compulsory courses in Accounting and Financial Analysis, Financial Economics, Microeconomics and Macroeconomics.

Teaching methodology

The course has been designed on three levels in order to promote understanding and the implementation of the basic concepts. The syllabus has therefore been designed to include:

1. Conceptual level: Concepts are formally presented and then applied by means of examples. In order to do so, students will be provided with materials that are used in class to develop each subject.
2. Self-learning level: Students will be given reading assignments on both conceptual and practical contents which will provide them with in depth knowledge of the topics that are covered in class.
3. Relational or group level: The course makes use of the case study methodology whereby students working in groups can analyze, propose and put forward solutions to the cases they have been assigned.

To facilitate the learning process, new materials have been added to the subject's website, which will be continuously adapted according to needs:

1. Short subtitled videos with basic concepts
2. Slides adapted to facilitate the monitoring of these videos
3. Simple examples and solution templates that help the student's autonomous work

Throughout the course the solutions to the exercises and cases carried out will be uploaded as pdf files.

All regular sessions will last two or two and a half hours. In lecture sessions, we will focus on the content of the videos that the student should have previously seen on the general content website. In practice sessions, students should apply these concepts to cases.

Description

Course contribution to program

For the students of this program, it is essential to be able to identify opportunities and threats for the creation of value in the company; know the different models for measuring value, understanding their advantages and limitations and being able to apply them to the selection of investments and resources for the company, identifying the contribution of Financial Management to the creation of value for the shareholder.

Short description

Learning how to value projects and companies

Bibliography

Brealey, Richard; Stewart Myers, Franklin Allen, Principles of Corporate Finance, McGraw-Hill Education (Book)

Ross, Stephen A.; Westerfield, Randolph W.; Jaffe, Jeffrey; Jordan, Bradford, Corporate Finance, McGraw-Hill Education (Book)

Berk, Jonathan & Peter De Marzo, Corporate Finance. Global Edition, (Book)

Damodaran, Aswath, The little book of valuation how to value a company, pick a stock, and profit, John Wiley & Sons, Inc. New Jersey, USA 2024, 978-1394244409 (Book)

Aswath Damodaran (Autor), Ignacio Moncada Garcia (Traductor), El pequeño libro de la valoración de empresas: Cómo valorar una compañía, elegir una acción y obtener ganancias, Deusto, 2021, 8423432416 (Book)

Damodaran, Aswath, The Little Book of Valuation: How to Value a Company, Pick a Stock, and Profit, John Wiley & Sons, Inc. New Jersey, USA 2025, SBN-10: 1394244401 ISBN-13: 978-1394244409 (E-book)

Activities

In-class discussions and debates

Class participation

Written and/or oral exams

Final Exam

Case study resolution

Compulsory cases

Project development and presentation

Presentations in front of investors

Content

#	Topic
1	Block 1: Long-Term Financial Planning: Financial Balance Sheet & Financial Analysis; Balance sheet reorganization for valuation; Financial Planning
2	Block 2: Capital Budgeting: Free Cash Flow to the firm (FCFF); Capital Budgeting methods: Payback; Net Present Value (NPV); Internal Rate of Return (IRR); Advantages and disadvantages of the methods; Modified Internal Rate of Return (MIRR); Free Cash Flow to Equity (FCFE)
3	Block 3: Cost of Capital: Weighted Average Cost of Capital (WACC); Beta Asset & Beta Equity; CAPM & Cost of Equity; Cost of Debt; Optimal Financial Structure
4	Block 4: Company Valuation: Value versus Price; Valuation Methods: Discounted Cash Flow valuation; Dividends valuation; Multiples & Comparable; Enterprise Value & Equity Value; Stock market price vs Implicit share price.

Assessment

Tool	Assessment tool	Category	Weight %
Written and/or oral exams	Final Exam (needs minimum 5 over 10 to do the average with continuous assessment)	Retake and ordinary round	65.00%
Individual or team exercises	Some Individual "Homework" for each block	Retake and ordinary round	10.00%
Group project	Preparation of a cases, in group, including a video and/or alive presentations to potential investors	Retake and ordinary round	15.00%
In-class analysis and discussion of issues	Participation in regular classes	Retake and ordinary round	10.00%

PROGRAMS

BBA20-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBA20 Year 3 (Mandatory)

BBA23-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBA23 Year 3 (Mandatory)

BBE20-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBE20 Year 3 (Mandatory)
BBE20 Year 1 (Mandatory)

DBAI21-Double Degree in Business Administration and Artificial Intelligence for Business (Undergraduates: Business)

DBAI21 Year 3 (Mandatory)

DBAI23-Double Degree in Business Administration and Artificial Intelligence for Business (Undergraduates: Business)

DBAI23 Year 3 (Mandatory)

GBD20-Double Degree in Business Administration and Law (Undergraduates: Law)
GBD20 Year 3 (Mandatory)

GBD23-Double Degree in Business Administration and Law (Undergraduates: Law)
GBD23 Year 3 (Mandatory)