

Corporate Finance

Course Details

Course Designator & Number: BCLA 3031

Number of Credits: 3

Language of Instruction: English

Contact Hours: 45

Instructor: xxx

Course Description

This course examines corporate finance through a blend of theory and practical application, focusing on financial analysis, investment decisions, valuation methods, and corporate financial policies. It equips students with essential tools to navigate financial markets, manage capital structure, and assess risk and return, while integrating European and global perspectives. Designed for those with a basic understanding of accounting, mathematics, and statistics, it prepares students to address complex financial challenges in diverse organizational contexts.

Course Objectives

Through their participation in this course, students will:

- **Master Financial Analysis Tools:** Interpret and elaborate financial statements, perform analyses, and forecast cash flows to assess a company's financial health.
- **Understand Investment Decision Frameworks:** Apply discounted cash flow techniques, assess investment criteria, and analyze corporate value creation.
- **Examine Risk and Return Dynamics:** Evaluate the relationship between risk and return, calculate the cost of capital, and understand their impact on financial decisions.
- **Explore Capital Structure and Financial Policy:** Learn principles of capital structure, manage debt and equity, and evaluate dividend policies and shareholder value.

- Integrate Sustainability into Financial Decision-Making: Assess the role of sustainable finance and how companies incorporate ESG factors into strategies.
- Navigate Financial Markets and Instruments: Understand financial markets, securities issuance, and the use of instruments like bonds, shares, and options.
- Bridge Theory and Practice: Use case studies and real-world scenarios to apply financial theories to complex organizational challenges globally and in Europe..

Course Prerequisites

Previous coursework in Finance, Accounting or Statistics

Required Reading / Materials

Textbook:

Vernimmen, Pierre, Pascal Quiry, Maurizio Dallochio, Yann Le Fur, and Antonio Salvi. *Corporate Finance: Theory and Practice*. 6th ed. Hoboken, NJ: Wiley, 2022.

Additional Sources:

CFI. *CFI Official*. YouTube. Accessed January 30, 2025.

https://www.youtube.com/@CFI_Official/videos.

Damodaran, Aswath. *The Dark Side of Valuation: Valuing Young, Distressed, and Complex Businesses*. 3rd ed. Hoboken, NJ: Pearson, 2018.

Eccles, Robert G., and Alison Taylor. The Essential Link Between ESG Targets & Financial Performance. *Harvard Business Review*, September 14, 2022.

<https://hbr.org/2022/09/the-essential-link-between-esg-targets-financial-performance>.

European Central Bank. *Financial Stability Report*. European Central Bank. Accessed January 30, 2025.

<https://www.ecb.europa.eu/press/financial-stability-publications/fsr/html/index.en.html>.

Financial Times. EU Should Force Customers to Buy Less Polluting Products, Companies Say. *Financial Times*, December 2024.

<https://www.ft.com/content/3db4ee9b-ab5e-489e-8137-3701207f7eb3>

Toward the Long-Term CFO: Perspectives on the Future of Finance. *McKinsey & Company*, December 12, 2019.

<https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/toward-the-long-term-cfo-perspectives-on-the-future-of-finance>.

Grading

Grading Rubric

Letter Grade	Score or Percentage	Description
A	93–100	Achievement that is outstanding relative to the level necessary to meet course requirements.
A-	90–92	Achievement that is significantly above the level necessary to meet course requirements.
B+	87–89	
B	83–86	
B-	80–82	Achievement that meets the course requirements in every respect.
C+	77–79	
C	73–76	
C-	70–72	Achievement that is worthy of credit even though it fails to fully meet the course requirements.
D+	67–69	
D	60–66	
F	0–59	Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.

Summary of How Grades Are Weighted

Assignments	Percentage of Grade
Participation in class	10%
Homework (3 at 5%)	15%
Quizzes (2 at 20%)	40%
Team project <ul style="list-style-type: none">• Written component (20%)• Oral presentation (15%)	35%
Overall grade	100%

Assessment Details

Active participation is essential in this course. Students are expected to attend each class and field study course component as outlined in the CET Attendance Policy. Students are expected to read all assigned materials before the relevant class session (approximately 30 pages) and come prepared to participate thoughtfully in class discussions, applying theoretical knowledge to practical situations. All assignments must be submitted via Canvas unless otherwise noted.

Graded assignments include:

- **Participation:** Students are expected to actively participate in class discussions and group activities. This includes sharing insights, asking questions, and engaging with case study discussions and problem-solving exercises. Participation is vital for fostering a collaborative learning environment
- **Homework:** Students will complete three individual assignments:
 - Financial Calculation Exercise 1 – Students calculate and analyze financial statements and forecast cash flows.
 - Financial Calculation Exercise 2 – A valuation case study applying diverse valuation methods.
 - Short Essay (2 pages) – Students analyze a company's strategy and discuss its financial implications.

- **Quizzes:** Two quizzes will assess comprehension of course concepts, each covering one-half of the course content. Format includes: calculation-based problems, multiple-choice questions, and short essay responses.

- **Team project:** A corporate finance group project where teams of 3-4 students analyze a company's financial strategies and present recommendations.
 - Written component: A detailed 15-20 page report including financial analysis, investment decision evaluation, and strategic recommendations.

 - Oral presentation: A 10-15 minute team presentation summarizing key findings.

Course Content

Unit 1

Financial Analysis Fundamentals

- Introduction to financial statements and their components.
- Techniques for cash flow analysis and understanding earnings.
- Key concepts in financial analysis and their applications.

Unit 2

Financial Forecasting

- Methods for analyzing profit margins and forecasting trends.
- Evaluating working capital and capital expenditure needs.
- Developing financial forecasts for decision-making.
- *Local Focus: Case Study – SEAT's Financial Forecasting in the Electric Vehicle Market.*

Unit 3

Investment Decision Rules

- Understanding the time value of money and its implications.
- Applying net present value (NPV) and internal rate of return (IRR).
- Identifying and evaluating investment criteria.
- *Local Focus: Case Study – Field Trip to Barcelona Stock Exchange (Borsa de Barcelona)*

Unit 4

Risk & Return

- Exploring the relationship between risk and return.
- Techniques for calculating the cost of capital.
- Applications of risk-return principles in financial decisions.
- *Local Focus*: Case Study – The Rise and Fall of Banco Popular

Unit 5

Valuation Techniques

- Corporate valuation approaches and methodologies.
- Assessing value creation through financial analysis.
- Investment analysis and its strategic implications.

Unit 6

Capital Structure Policies

- Principles of capital structure in financial management.
- Balancing debt and equity in corporate financing.
- Exploring dividend policies and their impact on shareholders.

Unit 7

Sustainable Finance

- Integrating ESG factors into financial decision-making.
- Exploring the role of sustainable finance in corporate strategy.

- Case studies on implementing green financial policies.
- *Local Focus*: Field Trip – Aigües de Barcelona (AGBAR Tower)

Unit 8

Financial Markets & Instruments

- Overview of financial markets and their structures.
- Characteristics and uses of debt and equity instruments.
- *Local Focus*: Case Study – Catalonia's Green Bonds Initiative

Unit 9

Working Capital & Cash Management

- Effective management of working capital components.
- Techniques for optimizing operational cash flows.
- Approaches to managing financial risks in operations.

Unit 10

Bridging Finance & Strategy

- Integrating corporate finance with strategic decision-making.
- Practical applications of financial theories in real-world scenarios.
- Exploring connections between finance and long-term business goals.

Policies

Attendance Policy

Students are expected to be on time and attend all classes while abroad. Many instructors assess both attendance and participation when assigning a final course grade. Attendance alone does not guarantee a positive participation grade; the student should be prepared for class and engage in class discussion. See the on-site syllabus for specific class requirements.

University of Minnesota Policies & Procedures

Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or misrepresenting someone else's work as your own can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

Scholastic Dishonesty

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an "F" or "N" for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.

Student Conduct

The University of Minnesota has specific policies concerning student conduct. This information can be found [on the Learning Abroad Center website](#).