



Syllabus Course Program



Corporate finance management

Specialty

072 – Finance, banking, insurance and stock market

Educational program

Finance and Banking

Level of education

Master's degree

Semester

2

Institute

Institute of Management Economics and International Business

Chair

Accounting and finance (205)

Type of discipline

Optional student disciplines of the profile training

Language of teaching

English

Lecturers and course developer



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Candidate of Economic Sciences, Associate Professor, Associate Professor of the Department of Accounting and Finance (NTU "KhPI")
The author of more than 50 scientific and educational and methodical publications. Leading lecturer on courses: "Finance", "Tax system", "Budget system"

[Learn more about the teacher on the department's website](#)

General information

Summary

The course is aimed at equipping students with knowledge of the theory and practice of financial management of a corporation as an association on a partial (share) basis of the capital of individuals and (or) legal entities for the purpose of entrepreneurial activity; developing the ability to take into account the peculiarities of capital management in conditions of uncertainty and risk characteristic of the global market economy; awareness of financial relations and their optimization between founders (participants) and other agents; mastering the methods and mechanisms of corporation behavior

Course objectives and goals

The purpose and objectives of the discipline is to form students' modern financial thinking and special in-depth knowledge of managing legally formalized financial relations between a corporation and other market agents regarding the formation of the corporation's capital and its distribution in order to increase the welfare of shareholders

Format of classes

Lectures, practical classes, consultations. Final control - exam.

Competences

GC 1. Ability to think abstractly, analyze and synthesize.

GC 3. Ability to conduct research at the appropriate level.

GC 4. Ability to identify, formulate and solve problems.
GC 5. Ability to make informed decisions.
GC 8. Ability to work in an international context.
SC 1. Ability to use the fundamental laws of corporate finance development in combination with research and management tools for professional activities.
SC 2. Ability to use theoretical and methodological tools for diagnosing and modeling the financial activities of business entities - corporations.
SC 3. Ability to apply management skills in the field of corporate finance.
SC 4. Ability to evaluate the effectiveness of scientific, analytical and methodological tools to substantiate management decisions in the field of corporate finance.
SC 6. Ability to apply interdisciplinary approaches to solving complex problems and issues in the field of corporate finance.
SC 7. Ability to search, use and interpret information necessary to solve professional and scientific problems in the field of corporate finance.
SC 8. Ability to apply innovative approaches in the field of corporate finance

SC2. Ability to diagnose the financial condition of corporate systems, form an effective investment portfolio taking into account risks and further assess the state of its change through internal financial control and audit based on modern scientific and practical methods.

PL 1. To use the fundamental laws of corporate finance development in combination with research and management tools for professional activities.
PL 02. To know at the level of the latest achievements the basic concepts and methodologies of scientific knowledge in the field of corporate finance.
PL 03. To adapt and modify existing scientific approaches and methods to specific situations of professional activity.
PL 04. Search, process, systematize and analyze information necessary to solve professional and scientific problems in the field of corporate finance.
PL 08. To be able to apply innovative approaches in the field of corporate finance.
PL 09. Apply management skills in the field of corporate finance.
PL 10. To diagnose and model the financial activities of business entities - corporations.
PL 11. Apply in-depth knowledge in the field of financial management for decision-making.
PL 12. Justify the choice of options for management decisions in the field of corporate finance and evaluate their effectiveness, taking into account the goals, existing constraints, legal and ethical aspects.
PL 13. Assess the degree of complexity of tasks in planning activities and processing its results.

Student workload

The total scope of the discipline is 120 hours. (4 ECTS credits): lectures – 32 hours, practical activities – 16 hours, self-study – 72 hours.

Course prerequisite

Financial Management, International Financial Reporting Standards.

Features of the course, teaching and learning methods, and technologies

Lectures are conducted interactively using multimedia technologies. Practical classes use a project-based approach to learning, game methods

Program of educational discipline

Topics of lectures

Topic 1. The essence, functions and management of corporate finance

Functions of finance of the corporation. Financial environment. Financial management of the corporation. Capital turnover of the corporation. Movement of funds of the corporation

Topic 2. Corporation as a subject of law

Development of legislation on corporations. The main features of a joint-stock company defined in the laws. Types of corporations, the procedure for their formation and registration. Groups of enterprises in offshore zones. Management of the corporation. Protection of the rights of shareholders and creditors. Business transactions of corporations. Legislation on insolvency and bankruptcy.

Topic 3. Consolidated financial statements and methods of their analysis.

Forms of financial statements. Balance sheet of the corporation. Income statement of the corporation. Statement of cash flows of the corporation. Consolidated statement of changes in equity. Analysis of the financial statements of the corporation

Topic 4. Financial planning and control

Financial strategy of the corporation. Sources of financing for the development of the corporation. Methods of financial planning. Cash flow planning. Financial plan

Topic 5. Valuation of the corporation's capital

The time value of money. Valuation of corporate securities. Valuation of shares. Valuation of bonds

Topic 6. The price of capital and risk

G. Markowitz's theory of investment risk. The theory of W. Sharpe. The theory of arbitrage pricing by S. Ross. Graphical analysis of the price of capital and risk. Evaluation of the results of using a portfolio of securities. Pricing in the capital market. Temporal structure of interest rates

Topic 7. Capital structure of the corporation

Theories of capital structure of a corporation. Alternative theories of capital structure. Capital structure and risk. Measurement of capital structure. Optimal capital structure

Topic 8. Dividends and dividend policy

Theories of dividend policy. Factors of dividend policy. Decision-making on dividend policy. Forms of dividend payments. Evaluation of dividend policy and its results by the method of ratios.

Topic 9. Capital investment budgeting

Planning and financing of an investment project. Project risk assessment. Economic evaluation of the project. Ranking of projects based on economic evaluation methods. The importance of capital investment for economic growth

Topic 10. Working capital management (working capital)

The essence of working capital. Cash and securities portfolio management. Models of cash management. Management of accounts receivable. Management of inventory. Evaluation of corporate policy on the formation and use of working capital

Topic 11. Sources of short-term financing of current assets

The essence and types of sources of short-term financing. Trade (commercial) credit. Bank loan is a bank loan. Factoring. Issue of commercial paper.

Topic 12. Corporations in the capital market

Financial market as a basis for economic development of corporations. Savings and investments. Regulation of the capital market. International regulation of the financial market. Stock exchange market of shares. Stock exchanges - organizers of the secondary stock market. Exchange market of bonds.

Topic 13. Issue and placement of corporate securities

Initial issues of long-term corporate securities. Methods of corporate securities placement. Features of initial public offerings and their placement in the United States and the United Kingdom. Corporations in the over-the-counter securities market. Issuance of bonds and rights issues. Issuance of securities related to mergers and acquisitions. Issuance of shares related to privatization.

Topic 14. Modern capital market theories

The main stages of development of modern capital market theories. The emergence and development of the efficient market hypothesis. The importance of the efficient market hypothesis for determining the financial policy of corporations. Development of the theory of chaos and uncertainty in the capital market

Topics of practical classes

Topic 1. The essence, functions and financial management of corporations. Corporation as a subject of law
Functions of the corporation's finances. Financial management of the corporation. Capital turnover of the corporation. Movement of corporation funds. Types of corporations, the procedure for their formation and registration. Groups of enterprises in offshore zones. Protection of the rights of shareholders and creditors. Business transactions of corporations

Topic 2. Consolidated financial statements and methods of their analysis

Analysis of the consolidated balance sheet. Analysis of the income statement of the corporation. Analysis of the statement of cash flows. Analysis of the consolidated statement of changes in equity. Development of recommendations for improving the financial condition of the corporation.

Topic 3. Valuation of the corporation's capital

Valuation of corporate securities. Valuation of shares. Valuation of bonds

Topic 4. The price of capital and risk

Evaluation of the results of using a portfolio of securities. Pricing in the capital market. Temporary structure of interest rates

Topic 5 Capital structure of the corporation. Dividends and dividend policy

Capital structure and risk. Measuring the capital structure Optimal capital structure. Decision-making on dividend policy. Forms of dividend payments. Evaluation of dividend policy and its results by the method of ratios

Topic 6. Budgeting of capital investments. Management of working capital

Planning and financing of an investment project. Project risk assessment. Economic evaluation of the project. Ranking of projects based on economic evaluation methods. Models of cash and securities portfolio management. Management of accounts receivable. Inventory management. Evaluation of corporate policy on the formation and use of working capital

Topic 7. Corporations in the capital market

Financial market as a basis for economic development of corporations. Savings and investments. Stock market of shares. Exchange market of bonds

Topic 8 Issue and placement of corporate securities

Initial issues of long-term corporate securities. Methods of placing corporate securities. Corporations in the over-the-counter securities market. Issuance of securities related to mergers and acquisitions of corporations

Topics of laboratory works

Laboratory works within the discipline are not provided .

Self-study

The course involves completing an individual calculation task, which contains theoretical and practical parts, where the student must demonstrate knowledge, correct understanding and ability to work with information sources, analyze digital data, independently express a personal point of view, summarize theoretical and practical material, draw conclusions and suggestions

Course materials and recommended reading

Basic literature:

1. "Corporate Finance and Investment: Decisions and Strategies" by Richard Pike and Bill Neale (2023)
2. "Corporate Finance: A Focused Approach" by Michael Ehrhardt and Eugene Brigham (2021)
3. "Corporate Finance: Core Principles and Applications" by Stephen Ross, Randolph Westerfield, Jeffrey Jaffe, and Bradford Jordan (2023)
4. "Corporate Finance: The Core" by Jonathan Berk and Peter DeMarzo (2023)
5. "Corporate Finance: Theory and Practice" by Aswath Damodaran (2023)
6. "Corporate Financial Management" by Glen Arnold (2023)
7. "Corporate Financial Strategy" by Ruth Bender and Keith Ward (2019)
8. "Financial Management: Theory and Practice" by Eugene Brigham and Michael Ehrhardt (2023)
9. "Fundamentals of Corporate Finance" by Jonathan Berk, Peter DeMarzo, and Jarrad Harford (2023)
10. "International Corporate Finance" by Jeff Madura (2023)
11. "Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions" by Joshua Rosenbaum and Joshua Pearl (2020)

Assessment and grading

Criteria for assessment of student performance, and the final score structure

100% of the final grade consists of the results of the assessment in the form of: a final test - 40%; completion of an individual calculation task - 30%; completion of independent work of the student on each of the topics covered in the discipline - 30%. The exam is written and includes: 2 theoretical tasks of different levels of complexity, and 1 case study.

Grading scale

Total points	National	ECTS
90–100	Excellent	A
82–89	Good	B
75–81	Good	C
64–74	Satisfactory	D
60–63	Satisfactory	E
35–59	Unsatisfactory (requires additional learning)	FX
1–34	Unsatisfactory (requires repetition of the course)	F

Norms of academic integrity and course policy

The student must adhere to the Code of Ethics of Academic Relations and Integrity of NTU "KhPI": to demonstrate discipline, good manners, kindness, honesty, and responsibility. Conflict situations should be openly discussed in academic groups with a lecturer, and if it is impossible to resolve the conflict, they should be brought to the attention of the Institute's management.

Regulatory and legal documents related to the implementation of the principles of academic integrity at NTU "KhPI" are available on the website: <http://blogs.kpi.kharkov.ua/v2/nv/akademichna-dobrochesnist/>

Approval

Approved by

Date, signature

Head of the department
Oleksandr MANOYLENKO

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Guarantor of the educational
program
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