



FIN 22303: Corporate Finance

Level: 3000

Number of Credits : 03

Course Description

Corporate finance focuses on short term and long term financial planning, financing and valuation of corporate capital for value creation. Further, it provides principles and approaches required in evaluating financial decisions and their influences on performance and value of corporations.

Intended Learning Outcomes

At the end of the course, the student will be able to;

- Explain principles, concepts and approaches of corporate finance,
- Discuss key issues in financing decisions,
- Analyze corporate finance decisions in the light of agency problems,
- Formulate strategies and select appropriate techniques for making corporate finance decisions.

Teaching/Learning Methods

Lectures, Group discussions, Workshops and Seminars

Methods of Assessment

In-course Assessments	: 30%
End Semester Examination	: 70%

Course Contents

1. Introduction to corporate finance
Corporate securities, firm value, financial statements, financial markets, goals and conflicts of interest, governance of the Firm
2. Financial planning and growth
Financial planning, financial planning models, caveats of financial planning models
3. Issuing securities
The public issue, Alternative Issue methods, the cash offer, rights, private equity market, efficient markets and behavioral finance
4. Debt financing
Credit risk and value of corporate debt, bonds issue, leasing
5. Dividend policy and capital gains
Different dividend policies, dividend theories, capital value (share price) movement theories (such as fundamental/technical or charting/random walk theories and their relevancy to capital markets), efficient market hypothesis
6. Short term financial planning
Financial analysis, financial planning, short term financial policy
7. Corporate financial strategy and corporate value

value and value creation, corporate investing policies and value, valuing corporate strategic options, risk and risk-free investment projects, incremental cash flows and incremental value

Recommended Readings

1. Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2012). Principles of corporate finance. Tata McGraw-Hill Education
2. Hillier, D., Ross, S., Westerfield, R., Jaffe, J., and Jordan, B. (2016) Corporate Finance, Third European Edition, Maidenhead UK: McGraw-Hill Higher Education.