

American College Dublin

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IB301 CORPORATE FINANCE

Credits:	3 US credits / 6 ECTS credits
Credit level:	Stage two
Mandatory:	Yes
Contact hours:	40
Academic Year:	2015/2016
Semester:	1
Lecturer:	

MODULE DESCRIPTION

The course introduces the students to the theories, practices, procedures and problems involved in modern corporate financial management. Financial analysis common to investment and business financial management decisions, with special attention to the analysis of corporate equity and debt securities will also be discussed.

INTENDED LEARNING OUTCOMES

At the end of this course, students will:

1. Have an in-depth understanding of the theories, concepts and methods pertaining to the field of corporate finance.
2. Possess an extensive up-to-date knowledge and understanding of the core areas of corporate finance, and the role of the financial manager.
3. Have mastered the specialised business skill of investment appraisal, including usage of discounted and non-discounted cash flow techniques.
4. Have the ability to exercise judgement on complex technical areas such as optimal management of working capital.
5. Possess the ability to analyse a business environment and select appropriate sources of finance accordingly.
6. The ability to apply problem solving across a range of corporate finance issues.

TEACHING METHODS

The class will be a mixture of lectures, discussions, examples and presentations. We will review case studies, compare theory to real life examples and from the knowledge and skills you learn analyse cases and the effects of certain decisions.

LEARNING OUTCOMES MAP

Learning Outcomes	Content	Delivery	Assessment
1	All sections	Lectures, guest speakers, readings, class exercises and discussions.	Assignments, exams and participation.
2	Section 1	Lectures, readings, class exercises and discussions.	Assignments, exams and participation.
3	Section 3-4	Lectures, readings, class exercises and discussions.	Assignments, exams and participation.
4	Section 9	Lectures, readings, class exercises and discussions.	Assignments, exams and participation.
5	Section 5-6	Lectures, readings, class exercises and discussions.	Assignments, exams and participation.
6	Section 8	Lectures, readings, class exercises and discussions.	Assignments, exams and participation.

COURSE OUTLINE

WEIGHTING

1. Financial Objectives of the Business	10%
2. Mergers and Acquisitions	10%
3. Capital Budgeting – Comparative Cost, Payback period, Accounting rate of Return	10%
4. Capital Budgeting – Net Present Value, Internal Rate of Return, Taxation & Risk	10%
5. Sources of Finance – Short, Medium and Long Term	20%
6. Miscellaneous Sources of Finance	10%
7. Dividend Policy	10%
8. Cost of Capital and Capital Structure	10%
9. Working Capital	10%

REQUIRED TEXT

Megginson, W., Smart, S. & Lucey, B. (2008), *Introduction to Corporate Finance*, South Western Cengage Learning.

SUPPLEMENTARY READING LIST

Power, T., Walsh, S. & O'Meara, P. (2005), *Financial Management: An Irish Text*, 2nd Edition, Gill & Macmillan;

Brealey, R., Myers, S. & Marcus, A. (2007), *Fundamentals of Corporate Finance*, 5th Edition, International Edition, McGraw Hill;

Financial Times (1997), *Mastering Finance*, FT/Pitman Publishing;

Sihler, W. W. (1994), *Cases in Applied Corporate Finance*, Harper Collins;

Stonham, P., & Redhead, K. (1995), *European Casebook on Finance*, Prentice Hall;

Sweeney, B. (2005), *Making Bread: The real way to start up and stay in business*, Liberties Press;

Branson, Richard (2007), *Losing My Virginity*, Virgin Books Limited.

NEWSPAPERS, PUBLICATIONS & LIBRARY FACILITIES

Irish Independent	Business Week
Irish Times	Business & Finance
Financial Times	Finance Magazine
Sunday Business Post	Fortune
Business Plus	Accountancy Ireland

INTERNET WEBSITES

www.investopedia.com	www.accountingweb.co.uk
www.icaire.com	www.cengage.co.uk/megginson
www.accaglobal.com	www.ft.com
www.askaboutmoney.com	www.bizplus.ie
www.financemagazine.com	www.oanda.com

ASSESSMENT/GRADING

Student's progress will be assessed by a project, a presentation, and an exam. The project must be typed and submitted on time. Any late papers may result in 1% of the mark being deducted, for each day beyond the deadline.

Assessment will take the form of:

Project	25%
Presentation	5%
Final exam	<u>70%</u>
Total	100%

Grading

Each component of the course will be assessed separately. Students will be graded according to the attached grading system as outlined in the HETAC Marks and Standards 2009, available at: http://www.hetac.ie/docs/Assessment_and_Standards_2009.pdf (page 23).

ATTENDANCE

Class attendance is necessary for the achievement of intended learning outcomes. In the case of illness it is the student's responsibility to telephone the College office to notify the lecturer (see *Academic Policies and Procedures* in the ACD Catalogue and the QA Manual).

ACADEMIC DISCIPLINE

Refer to the subsection on Academic Discipline in the current ACD Catalogue and the QA Manual.