

B 2-1 Advanced Corporate Finance

Academic Department	Prof. Dr. Klaus Schäfer BWL I: Chair of Finance and Banking	
Learning Outcomes	In this course the advanced theories in corporate finance are discussed. The lecture is accompanied by a tutorial featuring brief examples and additional exercises. Students will be able to understand and analyze theoretical models of finance. Additionally they will be able to apply the models to real cases of corporate finance.	
Course Outline	<p>Main content areas (non-exhaustive and subject to changes without prior notice):</p> <ul style="list-style-type: none"> - Theory of Finance in the Case of Frictionless Markets (esp. Net Present Value-Rule, State-Preference-Theory, CAPM, Option Pricing) - Debt Policy (Modigliani-Miller, Weighted-Average Cost of Capital, Costs of Financial Distress) - Theory of Finance in the Case of Non-Frictionless Markets (esp. Jensen/Meckling, Myers, Diamond) - Initial Public Offering, Going Private, Security Sales, Pecking Order Theory - Mezzazine Financing - Venture Capital and Private Equity 	
Teaching Mode	Lectures (2 hpw), tutorials (1 hpw). Both the lectures and tutorials are interactive. In-class and take-home case studies are used to highlight theoretical and practical problems. Independent study and reading is necessary. Literature is specified at the beginning of the course.	
Literature	<p>Brealey, Richard A. / Myers, Stewart C. / Allen, Franklin (2008): Principles of Corporate Finance, 9th ed., New York et al.</p> <p>Copeland, Thomas E. / Weston, J. Fred / Shastri, Kuldeep (2005): Financial Theory and Corporate Policy, 4. Auflage, Boston, Mass. et al.</p> <p>Grinblatt, Mark / Titman, Sheridan (2002): Financial Markets and Corporate Policy, 2. Auflage, Boston, Mass. et al.</p>	
Recommended Prior Knowledge	Good knowledge in finance and the theory of finance is presupposed.	
Prerequisites	None. Please look out for announcements on the BWL I website.	
Assessment	60 minute written exam at the end of the course. Participating in all the course sessions, preparing case studies as a home work, discussing case studies actively in the plenary sessions.	
Workload	Attendance lectures	30 hrs
	Attendance tutorials	15 hrs
	Independent study (incl. preparation and reading for case studies, tests and lectures)	135 hrs
	sum:	180 hrs
ECTS-credits	6 credits.	
Time Span	1 semester (lecture 2 hpw, tutorial 1 hpw)	
Frequency of course	Every second semester (currently summer semester)	