CORPORATE FINANCE
SYLLABUS

Course Title – Corporate Finance
Course code –
ECTS credits –
Auditorium hours -
Professor/ Instructor – Vazgen Abgaryan
Instructors E-mail – vabgaryan@gmail.com
Class website – n/a

COURSE DESCRIPTION

This is an introductory course to corporate finance. Firms are required to make financials decisions on daily basis. Well thought approach to budgeting and capital structure is a key element to an efficient functioning of an enterprise and wealth maximization of its shareholders. The course will focus on main topics of modern corporate finance theory.

PREREQUESTIVES - No prerequestives

COURSE OBJECTIVES

1. To understand which projects should the company approve for investments
2. To understand how to determine the optimal capital structure for the company
3. To understand how dividend payout policy affects the shareholder value
4. Evaluate the choices of short-term funding available to a company and recommend a financing method.

COURSE TOPICS/UNITS

The course will cover the following topics:

1. **The main financial statements**
- Income statement
- Balance sheet
- Cash flow statements
- The relationship between financial statements

2. **Capital budgeting**
- NPV
- IRR
- Capital budgeting
- Time value of money

3. **Risk and return**
- Relationship between risk and return
- Standard deviation
- Diversification and portfolio risk
- Expected rate of return

4. Stock valuation
- WACC
- CAPM
- Stock valuation models
- Growth opportunities and PVGO
- DCF modelling

5.Bond valuation
- Bond features
- Bond yields
- Bond valuation

6. M&A
- M&A valuation
- Rationales for acquisitions
- The process
- Synergies and value added of M&A

TEXTBOOK(S) AND REFERENCES

Principles of Corporate Finance (Mcgraw Hill Series in Finance)by Richard A. Brealey, Stewart C. Myers

Corporate Finance by Stephen Ross, Randolph W. Westerfield, Jeffrey Jaffe

Investment Valuation: Tools and Techniques for Determining the Value of Any Asset 3rd Edition by Aswath Damodaran