Corporate Finance and Financial Analysis (GMT5214)

Syllabus

Winter Term 2019/20

Begin: November 21, 2019
End: January 23, 2020

Times & Location: Tuesday, 11.30 – 13.00 h in W4.1.06
Thursday, 09.45 – 11.15 h in W4.1.06

ECTS-Credits: 5 (together with ACC5061 Foundations of Financial Accounting)
SWS: 2 (30 contact hours)
Self-Study: 60 hours
Level: Advanced Level II
Prerequisites: -

Accessibility: Course is compulsory for 1st semester MBA-IM students and
is open to international guest students on MBA-level

Learning objectives:

By the end of the course, the participants shall be capable of…

- understanding the need for financial analysis and the tools that enable the comparison of a company’s performance over a period of time,

- computing, analyzing and interpreting measures of a firm’s liquidity, solvency, and profitability and

- judging analytical results in the context their limitations.

- Understanding the need for financial planning and the basic methods used for that purpose,

- recognizing the basic concepts of corporate finance,

- applying different sources of equity and liability financing,
Main course topics:

- Analysis of financial statements using KPIs:
  - Performance
  - Asset structure
  - Finance structure
  - Coverage ratios/liquidity ratios
  - Cash flow based figures
- Need and concepts of financial planning
- Equity financing
- Short term credit financing
- Long term credit financing

Course contributions

<table>
<thead>
<tr>
<th>Goal</th>
<th>Course Contributions to Goal</th>
<th>Assessment</th>
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<tbody>
<tr>
<td>1</td>
<td>Responsible leadership in organizational contexts</td>
<td>KPI-based analysis of consolidated financial statements</td>
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<tr>
<td>2</td>
<td>Creative problem solving skills in a complex business environment</td>
<td>Analyze informational value and limitations of financial ratios</td>
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<td>3</td>
<td>Research Skills</td>
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<td>4</td>
<td>Management of Innovation</td>
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<td>5</td>
<td>Management of the challenges of global sustainability and awareness for social and corporate responsibilities</td>
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Basic outline and organization:

The course gives an introduction into the world of financial analysis, continuing the topics of ACC 5031 “Foundations of financial accounting”, by explaining and applying different kinds of key performance indications.

The second part of the course gives an introduction to Corporate Finance. At first, the focus is on financial planning and the different forms of financing. Then, the different forms of external financing are explained focusing on the most common forms of equity and credit financing.

Grading:

GMT5214 Corporate Finance and Financial Analysis and ACC5061 Foundations in Financial Accounting are graded together.
The grading is based upon:
- 2 written assignments in ACC5061, each weighted with 15% of the total grade.
- 1 written exam in GMT 5214 of 90 minutes, weighted with 70% of the total grade. The exam will cover the complete course GMT 5214 and the chapters 6 and 7 of ACC5061.

Course materials:

Availability of the lecturer:
Prof. Dr. Robert Nothhelfer
Office hours: Tuesday, 9:45 – 11:15 h in W2.4.15
Email: robert.nothhelfer@hs-pforzheim.de

Preliminary schedule for GMT5213 – Corporate Finance and Financial Analysis

<table>
<thead>
<tr>
<th>November 21/26</th>
<th>Performance Analysis</th>
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<tbody>
<tr>
<td>November 28</td>
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<tr>
<td>December 3</td>
<td>Financial analysis: Asset and finance structure</td>
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<td>Case study</td>
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<tr>
<td>December 5/10</td>
<td>Financial analysis: Coverage ratios, liquidity ratios and cash flow</td>
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<td>Case study</td>
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<td>December 17/18</td>
<td>Financial planning</td>
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<td>Basics of Corporate Finance</td>
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<td>December 19</td>
<td>Equity financing</td>
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<td>January 7</td>
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<td>January 9/14</td>
<td>Short term credit financing</td>
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<td>January 16/21</td>
<td>Long term credit financing</td>
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<tr>
<td>January 21/23</td>
<td>Exam preparation</td>
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