

Corporate Finance and Financial Analysis (GMT5214)

Syllabus

Winter Term 2020/21

Begin:	November 26, 2020		
End:	January 21, 2021		
Times & Location:	Tuesday, 11.30 – 13.00 h	in W4.1.06 or online	
	Thursday, 09.45 – 11.15 h	in W4.1.06 or online	

There will be **no lecture on November 24**; replacement session on **December 11, 13.45 – 15.15 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 1 st semester MBA-IM students and is open to international guest students on MBA-level		

Online Participation:

If you want or need to participate online, please install alfaview from www.alfaview.com and follow the link:

<https://app.alfaview.com/#/join/alfaview-wur/4f6bfbc8-8587-45c4-b267-2efc205b926e/22c96304-887c-41bd-8e7b-840744ee31c3>

Support of virtual team work:

Learning groups help to understand the complex topics. In case you want to work in a virtual group, you can use the subgroups of my internet office (link see above) on a “first-come-first-serve”-Basis.

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

Goal	Course Contributions to Goal	Assessment
1 Responsible leadership in organizational contexts	KPI-based analysis of consolidated financial statements	Discussion in class Written exam
2 Creative problem solving skills in a complex business environment	Analyze informational value and limitations of financial ratios	Discussion in class Written exam
3 Research Skills		
4 Management of Innovation		
5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities		

Basic outline and organization:

The course gives an introduction into the world of financial analysis, continuing the topics of ACC 5061 “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:

- Horngren/Sundem/Elliott/Philbrick (2015): Introduction to Financial Accounting, 11th Edition, Pearson, London
- Weygandt/Kimmel/Kieso (2015): Financial Accounting, IFRS Edition, 3rd Edition, Wiley, Hoboken.
- Hillier/Ross/Westerfield/Jaffe/Jordan (2016): Corporate Finance, 3rd Edition, McGraw Hill, London.
- Brealey/Myers/Marcus (2012): Fundamentals of Corporate Finance, 7th Edition, McGraw Hill / Irwin, New York.

Preliminary schedule for GMT5214 – Corporate Finance and Financial Analysis

November 26	Performance Analysis
December 1/3	Performance Analysis continued Financial analysis: Asset and finance structure Case study
December 8/10/11	Financial analysis: Coverage ratios, liquidity ratios and cash flow Case study
December 15/17	Financial planning Basics of Corporate Finance
December 22 January 7	Equity financing
January 12/14	Short term credit financing
January 19/21	Long term credit financing

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