

# **Corporate Finance and Financial Analysis (GMT5214)**

## **Syllabus**

### **Winter Term 2022/23**

**Begin:** November 29, 2022  
**End:** January 26, 2023  
**Times & Location:** Tuesday, 11.30 – 13.00 h in W4.1.06 or online  
Thursday, 08.00 – 09.30 h in W4.1.06 or online

**ECTS-Credits:** 5 (together with ACC5061 Foundations of Financial Accounting)  
**SWS:** 2 (30 contact hours; 60 contacts hours for complete module)  
**Self-Study:** 90 h for complete module (GMT5214 and ACC5061)  
**Level:** Advanced Level II  
**Prerequisites:** -  
**Accessibility:** Course is compulsory for 1<sup>st</sup> semester MBA-IM students and is open to international guest students on MBA-level

#### **Online Teaching:**

The course will be held on campus. If changes are necessary due to the pandemic, it will be announced separately. If the course is switched to online or hybrid, please install alfaview from [www.alfaview.com](http://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
<b>1 Responsible leadership in organizational contexts</b>	KPI-based analysis of consolidated financial statements	Discussion in class Written exam
<b>2 Creative problem solving skills in a complex business environment</b>	Analyze informational value and limitations of financial ratios	Discussion in class Written exam
<b>3 Research Skills</b>		
<b>4 Management of Innovation</b>		
<b>5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities</b>		

### **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, 11<sup>th</sup> Edition, Pearson, London
- Weygandt/Kimmel/Kieso (2015): Financial Accounting, IFRS Edition, 3<sup>rd</sup> Edition, Wiley, Hoboken.
- Hillier/Ross/Westerfield/Jaffe/Jordan (2016): Corporate Finance, 3<sup>rd</sup> Edition, McGraw Hill, London.
- Brealey/Myers/Marcus (2012): Fundamentals of Corporate Finance, 7<sup>th</sup> Edition, McGraw Hill / Irwin, New York.

### **Preliminary schedule for GMT5214 – Corporate Finance and Financial Analysis**

November 29 December 1	Performance Analysis
December 06/08	Performance Analysis continued Financial analysis: Asset and finance structure Case study
December 13/15	Financial analysis: Coverage ratios, liquidity ratios and cash flow Case study
December 20/22	Financial planning Basics of Corporate Finance
January 10/12	Equity financing
January 17/19	Short term credit financing
January 24/26	Long term credit financing

**Availability of the lecturer:**

Prof. Dr. Robert Nothhelfer

Office hours: Tuesday, 13:45 – 15:15 h in W2.4.15

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