



LUND
UNIVERSITY

School of Economics and Management

NFIN93, Finance: Theory of Corporate Finance, 7.5 credits *Finans: Företagsfinansiering, 7,5 högskolepoäng* Second Cycle / Avancerad nivå

Details of approval

The syllabus was approved by The Board of the Department of Economics on 2017-03-14 and was last revised on 2022-09-13. The revised syllabus applies from 2023-01-16, spring semester 2023.

General Information

This is a single subject master course in finance belonging to the Master Programme in Finance.

Teaching is in English. (Teaching may be in Swedish if all registered students have a good knowledge of Swedish.)

Main field of studies

Finance

Depth of study relative to the degree requirements

A1N, Second cycle, has only first-cycle course/s as entry requirements

Learning outcomes

Knowledge and understanding

The aim of the course is to develop students' understanding of models, theories and concepts in corporate finance, as well as their ability to apply the models to real world problems. Specifically, after the course the students are expected to understand:

- the relationship between internal financing, external financing and risk management,
- different theoretical models of capital structure,
- initial public offerings and seasoned equity offerings,
- payout policy,
- debt contracting,
- mergers and acquisitions.

Competence and skills

Student shall have the ability to apply their knowledge to real problems. More specifically, the student shall be able to:

- use the models and theories covered in the course to analyze real-world financial problems,
- apply relevant theories and empirical data to motivate, recommend and justify appropriate financing policies and strategies in different situations,
- clearly and pedagogically report the results of their own and others' empirical analyses of corporate finance problems.

Judgement and approach

Students shall have:

- learning skills that allow for further study in finance and economics,
- an ability to independently search for and evaluate information drawn from the corporate finance literature,
- the ability to integrate different theories in order to solve problems.

Course content

The course consists of advanced theories and concepts in corporate finance where the main objective is to provide students with a rigorous and applied understanding of those theories and concepts. Starting from the Modigliani–Miller-theorem, the course provides a comprehensive review of theoretical and empirical research on corporate financial policies and strategies, with emphasis on the constraints imposed by market imperfections such as agency problems, information asymmetries, taxes and financial distress costs.

Course design

1. Teaching: Tuition consists of lectures and lab sessions.

Assessment

1. Examination: The examination consists of a written exam and home assignments, performed individually and in groups. The written exam takes place at the end of the course. There will be further opportunities for examination close to this date. Other forms of examination may be used to a limited extent.

2. Limitations on the number of examination opportunities: –

The University views plagiarism and other academic dishonesty very seriously, and will take disciplinary action against students for any kind of attempted malpractice in connection with examinations and assessments. Plagiarism is considered to be a very serious academic offence. The penalty that may be imposed for this, and other unfair practices in examinations or assessments, includes suspension from the University for a specified period.

Examinationen består av en skriftlig tentamen som äger rum vid slutet av kursen samt en skriftlig inlämningsuppgift som genomförs i grupp. Andra examinationsformer kan användas i begränsad omfattning.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

Subcourses that are part of this course can be found in an appendix at the end of this document.

Grades

Marking scale: Fail, E, D, C, B, A.

1. Grading: The official grading scale is A, B, C, D, E and Fail.

Grade (Definition), Points or percentage out of maximum points, Characteristic

A (Excellent), 85–100, A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

B (Very good), 75–84, A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

C (Good), 65–74, The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

D (Satisfactory), 55–64, The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

E (Sufficient), 50–54, The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

U (Fail), 0–49, The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

Students have to receive a grade of E or higher in order to pass a course.

2. Weighting grades from different parts of the course: –

3. Grading scales for different parts of the course: –

Entry requirements

Students who have studied a one-year master programme in finance and are admitted to a double degree master programme in finance between a non-Swedish university and the School of Economics and Management, Lund University are eligible for this course.

Further information

1. Transitional regulations: –

2. Limitations in the period of validity: –

3. Limitations: This course may not be included in the same degree as NEKN93 "Theory of Corporate Finance".

4. Similar courses: –

5. Limitations in renewed examination: –

Subcourses in NFIN93, Finance: Theory of Corporate Finance

Applies from H17

1701 Theory of Corporat Finance, 7,5 hp
Grading scale: Fail, E, D, C, B, A