



**LUND**  
UNIVERSITY

School of Economics and Management

## **BUSN95, Business Administration: Corporate Financial Tactics and Strategy, 10 credits**

*Företagsekonomi: Företagsfinansiering, 10 högskolepoäng*

**Second Cycle / Avancerad nivå**

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### **Details of approval**

The syllabus was approved by Academic Director of Studies at Department of Business Administration on 2016-06-02 and was last revised on 2019-10-10 by The Board of the Department of Business Administration. The revised syllabus applies from 2019-10-10, autumn semester 2020.

### **General Information**

BUSN95 is a course in Business Administration at the advanced level.

*Language of instruction:* English

*Main field of studies*

Business Administration

*Depth of study relative to the degree requirements*

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

### **Learning outcomes**

A passing grade on the course will be awarded to students who:

#### **Knowledge and understanding**

- demonstrate thorough knowledge and understanding of corporate-finance policies, tactics, and strategies, with particular emphasis on internal and external financing, corporate financing policies, corporate distribution policies, and liquidity and risk management;
- demonstrate thorough knowledge and understanding of the current theoretical interpretations of the impact or non-impact of market imperfections on internal and external financing, corporate financing policies, distribution policies, and liquidity and risk management;
- demonstrate understanding of corporate credit risk assessment;

- demonstrate understanding of corporate financing and risk management, with particular emphasis on tactics and strategies for value-enhancing and integrated financing and risk management.

### **Competence and skills**

- demonstrate ability to use theories, concepts, and their independent judgment to analyze corporate financial problems;
- demonstrate ability to apply theories, concepts, and relevant empirical evidence to justify, recommend, and defend appropriate financial tactics and strategies for firms in different situations;
- can present their analyses of and solutions to corporate financial problems, clearly and unambiguously.

### **Judgement and approach**

- demonstrate ability to identify problems and situations where the theories learnt are applicable;
- demonstrate ability to integrate theories learnt when analyzing and solving corporate financial problems.

### **Course content**

The main objective is to provide students with a rigorous and applied understanding of corporate financial policies, tactics, and strategies and of credit financing and corporate credit risk assessment. Through cases and assignments, the course gives students the opportunity to analyze complex and unstructured practical financing situations and problems. The idea is to put theory to work on complex situations, thereby gaining a deeper understanding of corporate financial policies, tactics, and strategies. The course offers a rich learning experience, by exposing students to a number of real-life situations and giving insight into a variety of financial decision-making problems.

The course provides an advanced, organized, and comprehensive discussion of corporate financial policies, tactics, and strategies. It is based on the constraints posed by market imperfections, such as agency problems, information asymmetries, taxes, financial distress costs, market irrationality, and competition, on value-maximizing financial decision making. Financial policies covered include the importance of internal financing and the interaction between internal and external financing and risk management when financing investments in the face of financial constraints, contracting between a firm and its management and stakeholders, dividends and stock repurchases, financial distress and its resolution, and how to create value through liquidity and risk management.

The overarching idea of the course is the optimization of the corporate capital and risk structures through active capital management. Credit markets play a vital role in corporate financing, offering wide possibilities to tailor financing solutions to corporate needs. The course deals with corporate financing using straight, hybrid, and insurance-linked fixed-income products. It also trains students in corporate credit risk assessment, with particular emphasis on credit ratings.

### **Course design**

The course is conducted in the form of lectures and case and assignment work. The course emphasizes applied learning, where participants learn to use the studied analysis techniques. To facilitate this, case and assignment work makes up an important part of the teaching and learning activities on the course. Lectures emphasise the more challenging parts of the course literature. This means that self-study of the course literature is essential and that the assigned readings are integral parts of the teaching and learning activities.

## Assessment

See appendix including examination sessions. (Will be attached to the curriculum automatically in the system).

Assessment and grading are based on case and assignment work and a written examination covering teaching and learning activities and assigned readings. Since the course emphasizes applied learning, important parts of the examination are focused on participants employing the studied analysis techniques.

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.

**Grade** (Definition) Points or % 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 and lives up to expectations.

**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.

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

Some occasional examination elements of the course may have the grading scale: Pass (D) / Fail U(F).

*Plagiarism is considered to be a very serious academic offence. The University will take disciplinary actions against any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other improper practices in examinations or assessments, includes suspension from the University for a specific period of time.*

## **Entry requirements**

Students admitted to a Master Programme where this course is either a compulsory or elective part, are qualified for the course. For other students, at least 90 UCP or ECTS cr in Business Administration is required. These must include a course in basic Business Administration (e g, FEKA90 Business Administration: Introductory course in Business Administration), a course in financial accounting, at least 15 UCP in corporate finance/financial management (e g, FEKH81 Corporate Finance), and a course in econometrics or statistics.

## **Further information**

The course BUSN94 cannot be combined with the courses BUS851, BUSM23, BUSM30, BUSM34, BUSN81, BUSN83, or BUSP62 in a degree.

In case of closure of the course: Within three semesters after the course closure there will be offered three additional occasions for examination of respective examination part of the course, for students with no successful result. Note that after this you can get a certificate only regarding completed examination parts.

## Subcourses in BUSN95, Business Administration: Corporate Financial Tactics and Strategy

Applies from H20

2001 Examination, 10,0 hp  
Grading scale: Fail, E, D, C, B, A

Applies from H16

1604 Written exam, 5,0 hp  
Grading scale: Fail, Pass

1605 Securilization, 2,0 hp  
Grading scale: Fail, Pass

1606 Lecturing, 2,0 hp  
Grading scale: Fail, Pass

1607 Debt capacity, 1,0 hp  
Grading scale: Fail, Pass