



School of Economics and Management

BUSO99, Business Administration: Credit Financing Tactics , 7.5 credits

Företagsekonomi: Kreditfinansiering, 7,5 högskolepoäng
Second Cycle / Avancerad nivå

Details of approval

The syllabus was approved by The Board of the Department of Business Administration on 2023-11-28. The syllabus comes into effect 2023-11-28 and is valid from the autumn semester 2024.

General information

The course is a compulsory continuation course in the master's program in Accounting and Finance.

Language of instruction: English

Main field of study *Specialisation*

Business A1F, Second cycle, has second-cycle course/s as entry
Administration requirements

Learning outcomes

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

Knowledge and understanding

- Demonstrate knowledge and understanding of corporate credit financing, credit risk assessment, and financial restructurings

Competence and skills

- Demonstrate the ability to use theories, concepts, relevant empirical evidence, and their independent judgment to analyze corporate financing problems

- Demonstrate the ability to apply theories, concepts, relevant empirical evidence, and their independent judgment to justify, recommend, and defend appropriate financing decisions and solutions for firms in different situations can present their analyses of and solutions to corporate financing problems, clearly and unambiguously

Judgement and approach

- Demonstrate the ability to identify problems and situations where the theories and concepts learnt are applicable
- Demonstrate the ability to integrate theories and concepts learnt when analyzing and solving corporate financing problems

Course content

The course provides students with a rigorous and applied understanding of corporate credit financing, financial restructuring, and credit risk assessment. Through cases and assignments, the course gives students the opportunity to analyze complex and unstructured practical financing situations and challenges. Students are challenged to put theory to work, thereby gaining a deeper understanding of corporate finance and credit financing tactics and strategies.

The overarching idea of the course is the optimization of corporate capital and risk structures through active capital management. Credit markets play a vital role in corporate financing, offering wide possibilities to tailor financing to the risk, return, and maturity needs of the issuer or investor, allowing firms to transform illiquid assets and risks into tradable securities and enabling them to finance a wide range of assets and risks. The course deals with corporate financing using straight, hybrid, structured, and contingent credit solutions. It also trains students in corporate credit risk assessment, with particular emphasis on credit ratings.

The course assumes that participants have a good understanding of the constraints posed by market frictions, such as adverse selection, agency problems, taxes, and financial distress on internal financing and the interaction between internal and external financing and risk management, contracting between a firm and its management, owners, and creditors, and how to create value through capital, liquidity, and risk management.

Course design

The course is conducted in the form of lectures and case and assignment work. In-class activities emphasize the more challenging parts of the course literature. Self-study of the course literature is essential and assigned readings are integral parts of the teaching and learning activities.

Assessment

Assessment and grading are based on case and assignment work and 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.

Grades

Grading scale includes the grades: Fail, E, D, C, B, A

Grades

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's Program 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), an advanced-level course in the theory of corporate finance (e.g., BUSO94 Corporate Finance), and a course in econometrics or regression analysis. English 6.

The course assumes that participants have a good understanding of the constraints posed by market frictions, such as adverse selection, agency problems, taxes, and financial distress on financial policies, including internal financing and the interaction between internal and external financing and risk management, contracting between a firm and its management, owners, and creditors, and how to create value through capital, liquidity, and risk management.