



**LUND**  
UNIVERSITY

School of Economics and Management

**FEKH80, Business Administration: Theory of Corporate  
Finance - Bachelor Course, 15 credits**  
*Företagsekonomi: Kandidatkurs i finansiering, 15 högskolepoäng*  
First Cycle / Grundnivå

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### Details of approval

The syllabus was approved by The Board of the Department of Business Administration on 2011-05-20 and was last revised on 2017-10-16 by Academic Director of Studies at Department of Business Administration. The revised syllabus applies from 2017-10-16, autumn semester 2017.

### General Information

This course is an elective course in Business Administration at the Undergraduate level. The course can be studied within the Business Administration and Economics Programme, the International Business Administration and Economics Programme, the Bachelor Programme in Business Administration and Economics, the Degree of Master of Science in Business and Economics – Programme (Civilekonomprogrammet) as well as an independent-subject course.

The course can be given in Swedish/English, students must therefore be able to communicate in Swedish/English both orally and in writing

*Language of instruction:* Swedish and English

*Main field of studies*

Business Administration

*Depth of study relative to the degree requirements*

G2F, First cycle, has at least 60 credits in first-cycle course/s as entry requirements

### Learning outcomes

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

### **Knowledge and understanding**

- Understand basic skills for analyzing financial data, including time value of money and techniques and
- ratios commonly used in financial analysis
- Show ability to identify and understand problems connected with financial management
- Have knowledge and appraising of the basic financial theory
- Can give an account for the theory and the corporate behavior concerning capital structure and dividend
- policy
- Know and understand the corporate governance system framework every firm is a part of

### **Competence and skills**

- Know how to use and create different valuation models for companies (including stock valuation)
- Show ability and understanding how to use and value different financial instruments
- Apply analytical approach to development and management of capital needs
- Can collect and interpret relevant information
- Show ability in advanced problem identification and problem solving, both individually and in group
- Show ability to communicate their skills clearly and distinctively both written and orally

### **Judgement and approach**

- Demonstrate ability to make assessments within the field of finance, taking into account relevant scientific, social and ethical aspects

### **Course content**

The aim of the course is to provide the students with a broad overview of financial management, with emphasis on

the corporation's relations to the external environment. The course has an international perspective and should

prepare the students for the important role corporate financial planning and management plays in a dynamic and

competitive environment.

The main purpose is to give a theoretical and methodological knowledge for judgment and analysis of the financial

considerations a company is exposed to, and to deepen the knowledge of how to handle such considerations.

The students should also develop knowledge to be able to identify, judge and contribute to the companies'

adaptation of the on going changes in the area of the subject.

Following a general introduction to financial management emphasising the perspective of the financial manager, the

following topics are covered:

- Financial planning and control
- Theoretical foundation of portfolio theory and the theories concerning return and risk
- Capital structure and dividend policy
- Valuation models, including models for corporate and stock valuation
- Financial markets, including the possibilities to efficiently manage the cost of capital
- Capital needs and access to capital in different company phases
- Financial instruments and the use of them in different situations
- Corporate governance including the different agency problems a company can face

## Course design

The course is given in the form of lectures and lessons, through studies of the literature as well as case discussions

and presentations made by the students. The examination consists of case reports and presentations and a written

examination covering the reading materials and lectures.

## Assessment

The final grade is based on the following:

Case reports/presentations in groups, 20 %

Written exam which covers the course as a whole, 80 %

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**

Admission to the course requires a successfully completed course in Business administration of 1-30 ECTS credits

and that the student has been registered and followed courses of Business administration at the 31-60 credits level.

## **Further information**

The course FEKH80 Corporate Financial Management cannot be combined with FEKA36, FEKH81, FEKA68, FEKA65, FEKA66 or FEK561 in a degree.

## Subcourses in FEKH80, Business Administration: Theory of Corporate Finance - Bachelor Course

Applies from V12

- 1101 Theory of Corp. Finance - Bachelor Course, Written Exam, 12,0 hp  
Grading scale: Fail, E, D, C, B, A
- 1105 Theory of Corporate Finance - Bachelor Course, PM1, 1,2 hp  
Grading scale: Fail, Pass
- 1106 Theory of Corporate Finance - Bachelor Course, PM2, 0,9 hp  
Grading scale: Fail, Pass
- 1107 Theory of Corporate Finance - Bachelor Course, PM3, 0,9 hp  
Grading scale: Fail, Pass

Applies from H11

- 1101 Theory of Corp. Finance - Bachelor Course, Written Exam, 12,0 hp  
Grading scale: Fail, E, D, C, B, A
- 1102 Theory of Corporate Finance - Bachelor Course, PM1, 1,2 hp  
Grading scale: Fail, E, D, C, B, A
- 1103 Theory of Corporate Finance - Bachelor Course, PM2, 0,9 hp  
Grading scale: Fail, E, D, C, B, A
- 1104 Theory of Corporate Finance - Bachelor Course, PM3, 0,9 hp  
Grading scale: Fail, E, D, C, B, A