



Ekonomihögskolan

BUSN85, Strategic Corporate Finance, 7,5 högskolepoäng

Strategic Corporate Finance, 7.5 credits
Avancerad nivå / Second Cycle

Fastställande

Kursplanen är fastställd av Institutionsstyrelsen vid Företagsekonomiska institutionen 2013-06-04 att gälla från och med 2013-09-02, höstterminen 2013.

Allmänna uppgifter

The course is a master level course. It is an elective part in the first year of the master program Corporate and Financial Management,

Undervisningsspråk: Engelska

Huvudområde

Företagsekonomi

Fördjupning

A1F, Avancerad nivå, har kurs/er på avancerad nivå som förkunskapskrav

Kursens mål

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

Knowledge and understanding

- Have demonstrated knowledge of the role of market imperfections, institutions, and individual and group behavior on corporate financial decision making, with particular emphasis on internal and external financing, liquidity and risk management, owner-manager relations, and financial restructuring.
- Have demonstrated understanding of how key elements of the firm's governance structure –assignment of decision-making authority, performance measurement system, and incentive system –can be structured to support value-maximizing behavior.
- Have demonstrated knowledge of parameter estimation and test of validity in microeconomic and panel models, especially discrete phenomena and censored and truncated variables, and their applications in corporate finance.

Skills and abilities

- Have demonstrated ability to use theories of corporate finance and governance and their independent judgment to analyze corporate financial and governance events and developments.
- Have demonstrated ability to justify, recommend, and defend theoretically consistent solutions to problems identified in their analyses of corporate financial and governance events and developments.
- Have demonstrated ability to estimate parameters in microeconomic and panel models by means of suitable software.
- Can present their analyses of, and solutions to corporate financial and governance problems, clearly and unambiguously, orally and in writing.

Judgment and approach

- Have demonstrated ability to identify problems and situations where the theories learnt are applicable.
- Have demonstrated ability to integrate theories learnt when solving corporate financial and governance problems.
- Have demonstrated ability to select appropriate statistical tests based upon the properties of the data and to analyze and interpret the results of their statistical testing.

Kursens innehåll

This is an applied course in corporate finance and governance and related empirical research methods. Through cases and assignments, the course trains students in analyzing and solving complex and unstructured practical corporate financial and governance situations and problems. The course covers three main theoretical perspectives on corporate finance and governance. The first is the neoclassical theory of corporate finance, where the point of departure is the constraints imposed by market imperfections on value-maximizing financial decision making. Market inefficiencies covered include transactions costs, adverse selection, and agency problems. The second perspective is institutional theory, emphasizing issues such as the role of legal frameworks, transaction costs, and power. Finally, the course applies a behavioral view on corporate finance and governance, where the focus is on key cognitive and social-psychological obstacles to value maximizing behavior and their implications for corporate finance and governance.

The main objective is to train students in analyzing and making corporate finance and governance decisions, ranging from designing and restructuring corporate financial policies to designing corporate governance structures. The course focuses on learning how to apply the theories investigated, emphasizing the relationship between financial decision making and corporate strategy.

The course also deals with microeconomic and panel-data empirical methods useful in corporate finance and governance research, in particular cross-sectional and panel data methods for categorical and limited dependent variables (binary, ordinal, nominal, censored, and count variables). The course will not go into great depth in regard to any particular applied microeconomic method, but will instead aim to provide enough knowledge about each one to know when and when not to use it in empirical research. Topics include instrumental variables estimation, fixed effect and

difference-in-difference models, regression discontinuity models, quantile regression, variance decomposition analysis, and duration models.

Kursens genomförande

The course is conducted in the form of lectures, exercises, and case discussions. Assigned readings, cases, and exercises are integral parts of the teaching and learning activities. The examination consists of assignments, case work, and a written examination covering all teaching and learning activities.

Kursens examination

Prov/moment för denna kurs finns i en bilaga i slutet av dokumentet.

Betyg

Betygsskalan omfattar betygsgraderna Underkänt, 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.

Förkunskapskrav

Students admitted to a master program where this course is either a compulsory or elective part are qualified for the course. Other students are required to have successfully completed BUSN92 Empirical Corporate Finance or an equivalent course. They must also have completed at least 60 UCP or ECTS-cr in Business Administration. These must include a course in basic Business Administration, (e.g., FEK502 Business Administration, General Course, FEKA02 Business Administration, General Course, FEKA01 Business Administration: Introductory Course, or FEKC01 Introductory Course in Business Administration, including Business Communication or the equivalent).

Prov/moment för kursen BUSN85, Strategic Corporate Finance

Gäller från H14

- 1301 Written exam, 4,5 hp
Betygsskala: Underkänt, E, D, C, B, A
- 1302 Case 1, 1,5 hp
Betygsskala: Underkänt, E, D, C, B, A
- 1303 Case 2, 1,5 hp
Betygsskala: Underkänt, E, D, C, B, A
- 1304 Lab, 0,0 hp
Betygsskala: Underkänd, Godkänd

Gäller från H11

- 1101 Cases, 3,0 hp
Betygsskala: Underkänt, E, D, C, B, A
- 1102 Skriftlig litteraturtentamen, 1,5 hp
Betygsskala: Underkänt, E, D, C, B, A
- 1103 Skriftlig casetentamen, 3,0 hp
Betygsskala: Underkänt, E, D, C, B, A