



Ekonomihögskolan

BUSN92, Business Administration: Empirical Corporate Finance, 7,5 högskolepoäng

Business Administration: Empirical Corporate Finance, 7.5 credits
Avancerad nivå / Second Cycle

Fastställande

Kursplanen är en historisk, äldre version, faställd av Institutionsstyrelsen vid Företagsekonomiska institutionen 2013-05-23 och gällde från och med 2013-09-02, höstterminen 2013.

Allmänna uppgifter

Master level course. Elective of the first year of the MSC, Corporate and Financial Management. Compulsory part in the specialization course, Corporate Finance, within the Degree of Master of Science in Business and Econ. Progr. (Civilekonomprogrammet).

Undervisningsspråk: Engelska

Huvudområde

Företagsekonomi

Företagsekonomi

Fördjupning

A1N, Avancerad nivå, har endast kurs/er på grundnivå som förkunskapskrav

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Kursens mål

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

Knowledge and understanding

- Have demonstrated knowledge of the impact of market imperfections, in particular transaction costs, adverse selection, and agency problems, on corporate financial decision making, with particular emphasis on internal and external financing, payouts, liquidity, and risk management.
- Have demonstrated knowledge of parameter estimation in cross-sectional and time-series settings, especially ability to explain, compute, and interpret statistical tests of

composite hypotheses, omitted and irrelevant variables, and model stability.

- Have demonstrated knowledge of diagnostics testing, especially ability to explain the nature of, diagnose, and solve commonly occurring problems in residual error structures.

Skills and abilities

- Have demonstrated ability to use theories of corporate finance and their independent judgment to analyze corporate financial events and developments.
- Have demonstrated ability to estimate parameters in cross-sectional models and dynamic time-series models by means of suitable software.
- Can communicate the results, and their analyses and conclusions, of qualitative and quantitative investigations of corporate financial problems, clearly and unambiguously, orally and in writing.

Judgment and approach

- Have demonstrated ability to justify, recommend, and defend theoretically consistent solutions to problems identified in their analyses of corporate financial events and developments.
- Have demonstrated ability to select appropriate statistical tests based upon the financial investigation to be performed and the statistical properties of the data.
- Have demonstrated ability to analyze and interpret the results of their statistical testing.

Kursens innehåll

This is an applied course on the neoclassical theory of, and econometric tools used in corporate finance. Through cases, exercises, and assignments, the course trains students in analyzing and solving complex and unstructured practical and empirical corporate financial situations and problems. The course provides an advanced treatment of the theory of corporate finance and it is essential to hold background knowledge of corporate finance equivalent to that provided in an advanced level undergraduate course in corporate finance. The treatment of empirical methods is aimed at end users of econometric tools rather than model builders. Still, it is important to hold background knowledge of econometrics equivalent to an introductory undergraduate course in econometrics.

The point of departure of the first theme of the course –the neoclassical theory of corporate finance –is the constraints imposed by market imperfections on value-maximizing financial decision making. Market inefficiencies covered include taxes, financial distress costs, adverse selection, and agency problems. Corporate finance topics covered include capital structure, distribution policies, and liquidity and risk management. The focus is on application rather than derivation of models, the main objective being to train students in analyzing and making corporate finance decisions, using the theory of corporate finance as the frame of reference.

The focus of the second theme –econometric tools used in corporate finance –lies on learning the econometric intuition behind the methods studied and how to use them properly rather than deriving asymptotic properties of estimators. Methods covered

include techniques for analyzing cross-sectional and time-series data. Topics include estimation, hypothesis testing, and diagnosing misspecification of linear regression models; univariate modeling of stationary and non-stationary time series using unit root tests and ARIMA modeling; conditional models; and dynamic single-equation modeling for stationary and non-stationary data using autoregressive and error correction models, including estimation of short- and long-run effects.

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 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.

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. For other students, at least 60 CP or ECTS-cr in Business Administration is required. 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).

Students are also required to have successfully completed FEKH81 Corporate Finance or an equivalent advanced level undergraduate course in corporate finance, as well as an undergraduate course in statistics or econometrics covering cross-sectional regression and time-series modeling.

Övrigt

The course cannot be combined with BUSN80 Financial econometrics or BUSN81 Theory of Corporate Finance in a degree.

In case of termination of the course: students who have not successfully completed (parts of) the examination will be offered three re-examination opportunities within three semesters after the termination. After this, if a student still has not passed the course, the student may only get a certificate of completion on those parts of the examination that has been completed.

Prov/moment för kursen BUSN92, Business Administration: Empirical
Corporate Finance

Gäller från H13

1301 Empirical Corporate Finance, 7,5 hp
Betygsskala: Underkänt, E, D, C, B, A