SUBJECT DATASHEET

CORPORATE FINANCE

BMEGT35M411

I. SUBJECT DESCRIPTION

1. SUBJECT DATA

Subject name
CORPORATE FINANCE

ID (subject code)	BMEGT35M411

Type of subject
contact lessons

Course types and lessons

Type	*Lessons*
Lecture	2
Practice	0
Laboratory	0

Type of assessment
mid-term grade

Number of credits
2

Subject Coordinator

Name	*Position*	*Contact details*
Dr. Somogyi Róbert	assistant professor	somogyi.robert@gtk.bme.hu

Educational organisational unit for the subject
Department of Finance

Subject website
https://edu.gtk.bme.hu/

Language of the subject
magyar és angol, HU and EN

Curricular role of the subject, recommended number of terms

Direct prerequisites

Strong	None
Weak	None
Parallel	None
Exclusion	None

Validity of the Subject Description

2. OBJECTIVES AND LEARNING OUTCOMES

Objectives

The subject is designed to give the students a broad overview of financial goals and assets of corporations (PLCs), to get them acquainted with project evaluation techniques and methods for supporting decision making. The subject deals with the examination of financing opportunities and decision methodes for corporations, investors' considera- tions, yield and risk relation. Developing this course syllabus, we have aimed to cover the V module (Corporate finance) of the international CFA (Chartered Financial Analyst) exam. Teaching focuses on enabling students to adapt their theoretical knowledge in practice.

Academic results

Knowledge

1. • financial goals and assets of corporations,
2. • evaluation methods for preparing and making corporate investment and financing decisions,
3. • processes providing basis for the evaluation of assets on financial markets,
4. • evaluation methods for corporate projects,
5. • fiancial contexts of decision-making processes.

Skills

1. • plan and organize independent learning,
2. • comprehend and use the professional literature of the topic,
3.
4. • recognize the contexts behind financial decisions,

Attitude

1. • are open to learn and adapt the innovations in finance,
2. • collaborate with their instructors and student mates during the learning process,
3. • gain knowledge and information,
4. • take use of ICT tools.

Independence and responsibility

1. • are open to accept reliable critical remarks
2. • collaborate with other students in performing assignments during the learning process
3. • are able to make independent decisions
4. • are capable of reasonable consideration in the financial decision-making processs
5. • can weigh the significance of their responsibilities and foresee the consequences of their decisions

Teaching methodology

Lectures, verbal and written communication, use of ICT tools and techniques, optional home assignment.

Materials supporting learning

- 1. Az előadások prezentációinak anyaga, ami a félév során folyamatosan fog feltöltésre kerülni.
- 2. Bodie - Kane - Marcus: Investments (10th edition), McGraw-Hill, 2014.
- 3. Brealey, R. - Myers, C.S. - Allen, F.: Principles of Corporate Finance, McGraw-Hill, 2008.
- 1. Slideshows of the lectures which will be uploaded continously during the semester.
- 2. Bodie - Kane - Marcus: Investments (10th edition), McGraw-Hill, 2014.
- 3. Brealey, R. - Myers, C.S. - Allen, F.: Principles of Corporate Finance, McGraw-Hill, 2008.

II. SUBJECT REQUIREMENTS

TESTING AND ASSESSMENT OF LEARNING PERFORMANCE

General Rules

Assessment of the learning outcomes described under 2.2. is based on two written mid-term tests ("summarizing study peformance test").

Performance assessment methods

Detailed description of mid-term performance assessments: - The complex written assessment of knowledge and skill competencies of the subject is based on two mid-term tests during the semester. The tests focus on practical adaptation of the knowledge students gained in the learning process, which does not exclude testing theoretical knowledge. The parts of the learning material for the tests are selected by the lecturer of the subject. Working time for test writing is 50 minutes/test.

Percentage of performance assessments, conducted during the study period, within the rating

- **Summarizing study performance test**: 50%
- **Summarizing study performance test**: 50%
- **total**: 100%

Percentage of exam elements within the rating

Conditions for obtaining a signature, validity of the signature

According to TVSZ.

Issuing grades

Excellent	> 90
Very good	80-90
Good	70-80
Satisfactory	60-70
Pass	40-60
Fail	< 40

Retake and late completion

- As neither of mid-term tests determines pass marks, they cannot be retaken or made up for separately; stu- dents can retake or make up for it only in the form of one contracted test paper during make-up period free of charge. In case of retake better result is considered in grading. - If the sudent cannot achieve the minimum requirement by retake, they can make the second attempt to write the contracted test provided they have paid the fee according to the rules.

Coursework required for the completion of the subject

28

16

16

60

Approval and validity of subject requirements

III. COURSE CURRICULUM

THEMATIC UNITS AND FURTHER DETAILS

Topics covered during the term

Subject includes the topics detailed in the course syllabus to ensure learning outcomes listed under 2.2. can be achi- eved. Timing of the topics may be affected by calendar or other circumstances in each semester.

1 Financial markets and the corporation, corporate governance
2 Capital investment decisions I: investment decision criteria; cash flow projections
3 Capital investment decisions II: Present and future value calculations
4 Capital investment decisions III: Project evaluation, scenario and sensitivity analysis, de-
5 cision trees
6 Business and Financial Risk I: breakeven analysis
7 Bussiness and Financial Risk II: operating and financial leverage
8 Summary, numerical exercises
9 MID-TERM TEST I
10 Dividend Policy
11 Long-term Financial Policy: cost of capital; capital structure theories, the effects of finan-
12 cial leverage
13 Short-term Financial Policy: Cash planning; net working capital; trade finance; managing
14 short-term assets and liabilities
15 Mergers and acquisitions and corporate restructuring
16 Summary of the course, numerical exercises

Additional lecturers

Approval and validity of subject requirements