
Corporate Finance

Professor: Javier Gómez Biscarri

Course Description

Corporate Finance addresses the two main decisions in the financial management of the company: investment decisions, regarding how to use company resources for productive projects, and financing decisions, which focus on obtaining the necessary resources so that investments can be carried out. This course is intended as an introduction to the analysis of both types of decisions and how they should be directed at achieving the main objective of the CFO: increasing shareholder value.

Objectives

The main objectives of the course are:

- 1) To introduce the objectives of financial management within the corporation.
- 2) To review the way in which financial management achieves these objectives, with special emphasis on decision-making implications: CFOs must be ready to give sharp answers to the main questions regarding investment of the company's resources and how those resources should be obtained.
- 3) To lay the foundation for future specialized courses on financing and entrepreneurship.

Methodology

There will be 20 one and half-hour lectures where we will discuss the concepts and methodologies of investment and financing analysis. These sessions are based on the material covered in the recommended textbook (see the course outline below for correspondence between the textbook and the topics discussed) but the professor will focus on specific topics and cover some additional support material. Class slides will be available in Campus Global, although the lectures may not follow the slides literally. Some of the lectures will be devoted to in-class analysis of more complete cases, where student participation is especially encouraged.

There will be 10 seminar classes where students will solve exercises based on the material covered in the theory sessions. These seminars should help review the main concepts covered in class and prepare for the final exam. Some (but not all) of these seminars will have assignments that have to be turned in and will be graded.

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Note: This document is only informational, detailed contents and faculty may change.

Evaluation criteria

To pass the course, you must earn at least 50 points out of 100, according to the following distribution:

Midterm exam: 30 points.

Final exam: 60 points (a minimum of 25 is required to pass the course). If the student gets a higher grade in the final than in the midterm, the midterm grade will be discarded.

Problem sets: 10 points.

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program

Reading Materials/ Bibliography/Resources

Textbook

BERK, J.; DEMARZO, P. Corporate Finance. 3rd ed. Pearson (BDm).

Class slides provided by profesor

Bio of Professor

Prof. Gómez Biscarri holds an M.A. in Economics and a Ph.D. in Business Economics from UCLA. He is associate professor of accounting and finance at Universitat Pompeu Fabra, the Barcelona Graduate School of Economics and the Barcelona School of Management. He is also a part-time professor of IESE Business School and Deusto Business School. His current research focuses on the impact of accounting on the banking sector, specifically on earnings management behavior and on the effect of new accounting regulations on bank's strategies.