



Gestão Financeira II/Corporate Finance II

Syllabus

Undergraduate Programs

2014-2015 (Spring Semester)

FACULTY: Clara Raposo (Coordinator) – clararaposo@iseg.ulisboa.pt
Pedro Rino Vieira – rinovieira@iseg.ulisboa.pt
José Miguel Almeida – jmiguelalmeida@cmvm.pt
Pedro Rodrigues – pedrosr@iseg.ulisboa.pt

COURSE OBJECTIVES: This course develops the tools previously seen in Financial Statement Analysis and Calculus, with the main objective of understanding the financial decisions made by firms.

The course covers the fundamental concepts and tools of the modern theory of Finance that are required to analyse corporate financial decisions.

After a revision of basic concepts, the course will address the Investment Decision (Capital Budgeting), the Financing Decision (choice of Debt and Equity Capital), and the Payout Decision (whether to distribute or retain earnings, and how).

The teaching approach combines lectures (with the presentation of the theory and examples of the main concepts) with classes (in which practical problems are discussed).

By the end of the semester students should be familiar with the determinants of the financial decisions of corporations, and understand how these decisions are made, based on the theory of Finance.

COURSE OUTLINE: The first part of the course deals with corporate valuation problems (capital budgeting) assuming a given discount rate (cost of capital), disregarding the source of financing. The second part of the course considers different types of financing: Equity and Debt, and the returns required by these sources of capital.

The third part of the course explores the choice of optimal capital structure with the objective of maximizing firm/shareholder value.

The course ends with the fundamental concepts of Payout Policy.

BIBLIOGRAPHY:

Berk and DeMarzo, *Corporate Finance*, 3rd Edition, Pearson, 2013.

Students are strongly encouraged to buy the textbook, and use it extensively to study the subject in depth. Lectures and classes are great help, but only 4 hours a week – not enough. This is a hard working course. The book gives you access to “MyFinanceLab”, a powerful source of studying material, data, problems, tests, etc.

Students also have access to the power point lecture notes, and to problem sets based on Berk and DeMarzo’s end of chapter problems.

Clara Raposo (Lecturer):

Tuesdays 09:30-10:30, Faculty Room, Foor 2, Building Francesinhas 1.

Each class instructor will inform his/her group of his/her office hours.

GRADING SYSTEM (according to the Internal Regulations RGAC 2014-2015):

- The only grading element is the final exam.
- **IMPORTANT RULES:**
 1. Students with a final grade higher than 17 may be required to defend their grades in an oral exam.