

| General information                                     |   |
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| Academic subject  | <b>CORPORATE FINANCIAL POLICIES / POLITICHE FINANZIARIE D'IMPRESA</b> |
| Degree course   | <b>EFI</b>  |
| Academic Year   | <b>1</b>  |
| European Credit Transfer and Accumulation System (ECTS) | <b>8</b>  |
| Language  | <b>ITALIAN</b>  |
| Academic calendar (starting and ending date)            | <b>21<sup>ST</sup> February, 2022 - 10<sup>th</sup> June, 2022</b>    |
| Attendance  | <b>NO</b>   |

| Professor/ Lecturer     |  |
|-------------------------|--|
| Name and Surname        | <b>LAURA PELLEGRINI</b>                                    |
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| Telephone               |  |
| Department and address  | <b>ECONOMICS AND FINANCE DEPARTMENT</b>                    |
| Virtual headquarters    | <b>TEAMS</b>   |
| Tutoring (time and day) | <b>ON THURSDAY, 11 A.M. , ROOM 55, DURING LESSONS TERM</b> |

| Syllabus                    |   |
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| <b>Learning Objectives</b>  | <p>The course aims to develop some of the relevant issues of corporate finance and the issues of great attention by company management, with a view to the purpose of creating value for shareholders and for all stakeholders. We will focus on the "liability side" finance, that is, the course analyzes the main financial policies aimed at distributing the overall cash flows available to the company in terms of the mix of risk capital vs. debt capital, contractual financing solutions.</p> <p>In particular, the course focuses attention on the concrete investment choices and financial policy decisions necessary to support the strategy and business development in the long term. The course develops the key skills necessary for the analysis and selection of investment projects, complex operations and the incremental effects of new strategies. In particular, after introducing the most important measurement to value the main financial instruments, the cost of capital will be analyzed and issues related to the financial structures of the company will be analyzed in depth.</p> |
| <b>Course prerequisites</b> | <p>Before accessing the course, the student should:</p> <ul style="list-style-type: none"> <li>- have a solid basic knowledge of Private Law and Commercial Law, as well as a basic knowledge of the financial market as a whole;</li> <li>- have a solid basic knowledge of accounting and microeconomics;</li> <li>- be confident in the use and evaluation of the main mathematical-statistical indices (calculation of the mean, variance, correlation coefficient, etc.);</li> <li>- be able to conduct autonomous analyzes and reasoning regarding the concepts set out above, also interpreting their significance.</li> </ul>   |
| <b>Contents</b>             | <p>The following topics will be addressed as parts of the course: some introductory elements of the course relating to the main preparatory aspects of Corporate Finance; the definition and application of the Net Present Value criterion, the valuation of obligations, the valuation of the cost of risk capital, the founding elements of the Capital Asset Pricing Model and hints to the Arbitrage Pricing Theory; the weighted average cost of capital (WACC) and risk analysis, investment decisions in fixed capital through financial analysis, flows analysis and the capital budgeting technique and the main selection</p>  |

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|                                      | <p>criteria within the processes evaluation. Subsequently, the topics relating to the financial structure of the company will be addressed, through the identification of the determinants of the financing choices of companies.</p> <p>The course is divided into various topics related to each other in a sequential way. Each block of topics is organized in some points.</p> <ol style="list-style-type: none"> <li>1. Introduction to the course: preparatory aspects of Corporate Finance;</li> <li>2. The Net Present Value criterion: the calculation of the present value, the valuation of the bonds, some notes on “duration”;</li> <li>3. The cost of capital: risk, return and opportunity cost of capital, the valuation of shares, the Capital Asset Pricing Model and notes on the Arbitrage Pricing Theory. Some aspects relating to returns and maturities;</li> <li>4. The cost of capital: the WACC and the opportunity cost of capital;</li> <li>5. Investment decisions in fixed capital: theoretical aspects, analysis of relevant flows, determination of rates, selection processes of investment projects;</li> <li>6. Investment decisions in fixed capital: theoretical analysis of indicators and applicative aspects of capital budgeting, some empirical cases.</li> <li>8. Choices of the financial structure of companies: the Modigliani and Miller models without and with corporate and personal taxes, notes.</li> <li>9. Policies for raising risk capital.</li> </ol> |
| <p><b>Books and bibliography</b></p> | <p><u>References</u></p> <p>M. DALLOCCHIO, A. SALVI, <i>FINANZA D’AZIENDA</i>, EGEA, Quarta Edizione, 2021.</p> <p>D. HILLIER-S.A. ROSS-R.W. WESTERFIELD-J.F. JAFFEE-B.D. JORDAN, <i>CORPORATE FINANCE</i>, MC GRAW-HILL, 3° EDIZIONE ITALIANA, 2018.</p>   |
| <p><b>Additional materials</b></p>   | <p><u>Suggested books</u></p> <p>R.A. BREALEY-S.C. MYERS-F. ALLEN-S. SANDRI, <i>Principi di Finanza Aziendale</i>, Mc Graw-Hill, 6ª ed., 2011 (english version, 11th edition).</p> <p>P. VENNIRMEN – P. QUIRY- M. DALLOCCHIO, Y. LE FUR – A. SALVI <i>CORPORATE FINANCE</i>, 3RD EDITION, WILEY.</p> <p>Collection of readings (available on the course page).</p> <p>Supplementary material (slides, data, slides, etc.) will be made available to students on the course page, on a weekly basis.</p>   |

| <b>Work schedule</b>     |           |  |  |
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| Total                    | Lectures  | Hands on (Laboratory, working groups, seminars, field trips) | Out-of-class study hours/ Self-study hours |
| <b>Hours</b>             |           |  |  |
| <b>56</b>                | <b>42</b> | <b>14</b>  | <b>180</b>                                 |
| <b>ECTS</b>              |           |  |  |
| <b>8</b>                 |           |  |  |
| <b>Teaching strategy</b> |           |  |  |

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|  | The course is structured to develop critical and problem-solving skills and therefore provides for a frontal teaching, divided between theoretical lessons and practical exercises in the classroom with cases carried out by the teacher. The course also provides for the carrying out by students - on a voluntary basis - of "problem-sets" or "case studies", ie projects in which they are asked to apply the contents of the course to problems and concrete cases.   |
| <b>Expected learning outcomes</b>                                |  |
| <b>Knowledge and understanding on:</b>                           | At the end of the course, the student will be able to appreciate the relevance of the main theoretical and empirical issues of corporate finance, the most relevant methods of evaluating the various financial instruments, as well as the relevant financial structure issues.   |
| <b>Applying knowledge and understanding on:</b>                  | At the end of the course, the student will be able to apply the various knowledge acquired to theoretical and empirical cases related to business situations. In particular, the student will be able to identify the main problems of corporate governance in the context of corporate financial choices, evaluate different solutions and decision-making processes in terms of financial structure, evaluate the convenience of investment projects, selecting the most suitable and profitable projects  |
| <b>Soft skills</b>   | <ul style="list-style-type: none"> <li>• <i>Making informed judgments and choices</i> <ul style="list-style-type: none"> <li>○ Spirit of initiative</li> <li>○ Problem solving</li> <li>○ Diagnosis and overview skills</li> </ul> </li> <li>• <i>Communicating knowledge and understanding</i> <ul style="list-style-type: none"> <li>○ Relationship skills</li> <li>○ Aptitude for team work</li> </ul> </li> <li>• <i>Capacities to continue learning</i> <ul style="list-style-type: none"> <li>○ Capacity for initiative</li> <li>○ Time management skills</li> <li>○ Ability to manage and organize works</li> </ul> </li> </ul> |
| <b>Assessment and feedback</b>                                   |  |
| <b>Methods of assessment</b>                                     | The exam is aimed at assessing the overall preparation of the student, both in terms of the institutional and fundamental aspects of corporate finance, and in relation to the application and empirical declinations of concrete cases. Through the written test, students must first of all demonstrate that they know and know how to orient themselves among the basic issues discussed during the lessons, with particular attention also to the empirical part.  |
| <b>Evaluation criteria</b>                                       | <ul style="list-style-type: none"> <li>• <i>Knowledge and understanding : YES</i></li> <li>• <i>Applying knowledge and understanding: YES</i></li> <li>• <i>Autonomy of judgment: YES</i></li> <li>• <i>Communicating knowledge and understanding :YES</i></li> <li>• <i>Capacities to continue learning :YES</i></li> </ul>   |
| <b>Criteria for assessment and attribution of the final mark</b> | The methods provided to assess the knowledge and skills acquired include a test that takes place during the exam session and is carried out in writing. The test consists of theoretical questions and numerical questions relating to empirical aspects, that will take a time between 60 and 120 minutes. The relevance of the answers, the appropriate use of specific terminology, the reasoned and coherent structuring of the discourse, the ability to identify conceptual links, as well as the rigor in the application of the chosen methods   |

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|                               | and the empirical investigations developed will contribute to the evaluation.   |
| <b>Additional information</b> | In the event that the health situation relating to the Covid-19 pandemic does not allow for face-to-face teaching, remote teaching will be guaranteed. The procedure will be communicated to students in good time. |
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