

Advanced Corporate Finance

Academic Year: **2016/2017**

1st Semester

Instructor(s): Jörg Stahl

Course Description:

Corporate Finance analyzes the main strategic financial decisions of firms: investment decisions and financing decisions. This course will focus on the theory and the practice associated with the financing decisions of firms. The course combines the theory of capital structure and financing decisions with empirical results and practical applications of these topics. Topics are typically introduced in a lecture that covers the theory. The theoretical results are then put into practice by working on case studies and analyzing empirical findings.

Course Content:

	Topics
1	Capital Structure: Perfect Markets The Modigliani-Miller Irrelevance Propositions
2	Capital Structure: Taxes and Financial Distress
3	Capital Structure: Agency problems
4	Capital Structure: Asymmetric Information
5	Payout Policy
6	Corporate Financing: Overview and Empirical Evidence
7	Raising Equity Capital
8	Debt Financing/ Leasing
9	Short-Term Financing

Course Objectives:

The main course objective is for students to learn how to apply theoretical models in real world settings and to align the predictions of the theory with empirical findings.

At the end of the course you should be able to:

Understand and value the firm's financing decisions.

Understand why different firms make different financing decisions and differ in their capital structure.

Understand the alternatives and drivers of the firm's payout policy.

Grading:

Assignments: 20% Class Participation: 10%; Group project: 20%; Final Exam: 50%

Extra Costs (case studies, platforms...):

Case studies

Bibliography:

Required textbook: Berk & DeMarzo, "Corporate Finance" (BDM).

Alternative textbooks: Brealey, Myers & Allen, "Principles of Corporate Finance" (BMA) or Ross, Westerfield and Jaffe, "Corporate Finance".

These are the leading textbooks in Corporate Finance, used in many of the MSc or MBA courses in Corporate Finance around the world. I recommend that you obtain/ use one of these books. You do not need to use the most recent edition; previous editions are also acceptable.

Biography:

Jörg Stahl receives his PhD in Economics from Universitat Pompeu Fabra, Barcelona. He holds a MSc in Economics from Universitat Pompeu Fabra and a Master in Business Administration from University St. Gallen, Switzerland. He is assistant professor at the Católica-Lisbon School of Business and Economics. His principal areas of interest are in corporate finance with a particular focus on the interaction of the corporate field and the political environment.

Contact(s) and Office hours:

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