UCL Université catholique de Louvain

LFSA2240

2010-2011

Foundations of financial management

4.0 credits	30.0 h + 15.0 h	2q

Teacher(s) :	Sarens Gerrit ;
Language :	Français
Place of the course	Louvain-la-Neuve
Main themes :	Financial statements, balance sheet, income statement and cash flow statement. Financial statements analysis. Solvability, liquidity and profitability. Financing decisions. Issues of common shares or corporate bonds. Capital budgeting decisions
Aims :	Objectives (in terms of competencies) Give to our student a fair understanding of the methods and concepts that support the decion processes in the field of finance. A specific attention is dedicated to the capital budgeting decisions and the financing decisions. *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*
Content :	Overview of the financial statements. Financial forecastings. Profitability analysis, Return on Equity and Return on Investment. Risk-return trade-off associated to the debt. Financial leverage. Risk-return trade-off associated to the fixed assets and fixed cost. Operating leverage. Financing decisions : issues of common stocks vs issue of corporate debt. Weighted average cost of capital (WACC) Selection criteria in capital budgeting : payback, internal rate of return,net present value. Introduction of risk in capital budgeting.
Other infos :	N / A
Cycle and year of study :	> Master [120] in Chemistry > Master [120] in Biochemistry and Molecular and Cell Biology > Master [120] in Statistics: General > Master [120] in Civil Engineering > Preparatory year for Master in Actuarial Science > Master [120] in Computer Science and Engineering > Master [120] in Chemical and Materials Engineering > Master [120] in Mathematical Engineering > Master [120] in Mechanical Engineering > Master [120] in Computer Science > Master [120] in Electrical Engineering > Master [120] in Electro-mechanical Engineering > Master [120] in Physical Engineering > Master [120] in Biomedical Engineering
Faculty or entity in charge:	EPL