LINGE1315

2015-2016

Finance

5.0 credits	30.0 h + 15.0 h	1q

Teacher(s) :	Grégoire Philippe ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Prerequisites :	*The prerequisite(s) for this Teaching Unit (Unité d'enseignement – UE) for the programmes/courses that offer this Teaching Unit are specified at the end of this sheet.*
Aims :	This course focuses on the provision of financial theory in understanding the optimal allocation between the different financial instruments and in making management decisions under uncertainty. This course also suggests an introduction to financial derivatives (options, futures) that allow better management of risks. As part of this course, students study the allocation choices made by a risk-averse investor who maximizes his expected performance and the decisions taken by companies in their investment and financing and its cash management. *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 :	The short-term decisions. - Cash management, management of working capital o funding decisions in the short term (line of credit, commercial paper, ...) o The value of cash and the use of forward transactions (Forex and FRA) in cash management The theory of portfolio and the optimal allocation o Space profitability and risk-efficient frontier of optimal allocation o Markowitz (CAPM) o Hazard in the balance (CAPM and introduction to APT) The decisions of long-term or strategic decisions o financing by issuing shares characteristics of titles and description of major international markets Valorisation (Gordon model and Shapiro) Cost of capital (Gordon model and Shapiro) The impact of dividend policy on the value (Modigliani and Miller) o Financing bond characteristics titles and description of major international markets The term structure of interest rates The yield to maturity The valuation of fixed rate bonds by yield to maturity and spread corpo-rate/government The cost of debt o The cost of capital Introduction to weighted average cost of capital analysis of the impact of the choice of financing the cost of capital: Theory and traditionalists Modigliani and Miller Apport the theory of options o The choice of investments Cash flows of investment in innovation and replacement Criteria for the classification of investment Payback, net present value and internal rate of return of investments with and without rationing capital Introduction of risk analysis simulation and Standard deviation o behavioral finance o introduction to derivatives and futures indices future rate Share options Teaching methods are based on lectures with the aim of transmitting knowledge. The consolidation and acquisition of knowledge by organizing work rooms organized by assistants supplemented by occasional work required for students.
Other infos :	Prerequisites: Analysis of financial statements
Faculty or entity in charge:	ESPO

Programmes / formations proposant cette unité d'enseignement (UE)				
Intitulé du programme	Sigle	Credits	Prerequis	Acquis d'apprentissage
Bachelor in Business Engineering	INGE1BA	5	LECGE1219	