







5.00 credits

45.0 h

Q2

Teacher(s)	Claes Anouk ;
Language :	English
Place of the course	Bruxelles Saint-Louis
Prerequisites	<i>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.</i>
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <p>Students will be able to identify and define the major concepts in corporate finance. They will understand and explain basic techniques in finance and corporate finance. Applying the concepts and techniques will allow students to set objectives in financial management and to solve problems in financial management (e.g. making capital budgeting decisions).</p>
Evaluation methods	<p>This course will be assessed based on :</p> <p>1) a written exam: During an on-campus closed book exam theoretical concepts will need to be defined and explained and corporate finance problems need to be solved;</p> <p>2) A group assignment in which the theoretical concepts will need to be applied and calculations will need to be (20% of the final mark).</p>
Teaching methods	<p>The lecture</p> <p>During the lectures the theoretical concepts will be explained. Examples will be integrated and demonstrated in the lectures. Students are encouraged to participate to class, answering to questions that will be raised (e.g. using Wooclap).</p> <p>In order to prepare the students for their MS Excel portfolio theory assignment, online exercise sessions will be organised showing how to make financial calculations in MS Excel.</p>
Content	<p>This course aims at familiarizing students with general principles of corporate finance. A particular focus is giving to capital budgeting techniques, risk and return, the CAPM and the cost of capital. Capital structure implications to the value of the firm are also discussed, together with payout policy and financial distress.</p> <p>Introduction :</p> <p>The Corporation, financial decision making and the law of one price</p> <p>Valuing projects and firms :</p> <p>Investment decision rules and Fundamentals of capital budgeting</p> <p>Risk and return :</p> <p>Capital markets and the pricing of risk ; Optimal portfolio choice and CAPM ; Estimating the cost of capital ; Investor behavior and capital market efficiency</p> <p>Capital structure :</p> <p>CS in a perfect market ; Debt and taxes ; Financial distress ; Payout Policy</p> <p>Capital budgeting and valuation with leverage</p>
Inline resources	<p>On the university's electronic platform the following additional information will be offered:</p> <ul style="list-style-type: none"> <li>- course videos</li> <li>- a copy of the slides used</li> <li>- the exercises that will be solved during the lecture. Additional exercises will be added (partially with solutions).</li> </ul>
Bibliography	Corporate Finance 6th Edition, Jonathan Berk, Stanford University, Peter DeMarzo, Stanford University, ©2023 Pearson. ISBN-10. 1292446315
Faculty or entity in charge	ESPB

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Bachelor in Economics and Management	<a href="#">ECGB1BA</a>	5	<a href="#">BECGE1213</a> AND <a href="#">BECGE1115</a>	
Bachelor in Economics and Management (French-English)	<a href="#">ECAB1BA</a>	5	<a href="#">BECGE1116</a> AND <a href="#">BECGE1213</a>	
Bachelor in Economics and Management (French-Dutch-English)	<a href="#">ECTB1BA</a>	5	<a href="#">BECGE1213</a> AND <a href="#">BECGE1117</a>	
Bachelor : Business Engineering	<a href="#">INGB1BA</a>	5	<a href="#">BECGE1213</a> AND <a href="#">BECGE1115</a>	
Bachelor : Business Engineering (French-English)	<a href="#">INAB1BA</a>	5	<a href="#">BECGE1213</a> AND <a href="#">BECGE1116</a>	
Bachelor : Business Engineering (French-Dutch-English)	<a href="#">INTB1BA</a>	5	<a href="#">BECGE1213</a> AND <a href="#">BECGE1117</a>	
Bachelor of Science in Business Engineering	<a href="#">BBEB1BA</a>	5	<a href="#">EINGE1210</a> AND <a href="#">BECGE1116</a>	