

# Course title: Corporate Finance

Course Basic Information	
Academic Unit: (University/Department)	University of Zurich, Department of Finance
Course title:	Corporate Finance
Level:	Master of Science UZH ETH in Quantitative Finance
Course Status:	Core FIN
Year of Study:	<b>Fall Semester</b>
Number of Classes per Week:	2h (lectures)
ECTS Credits:	<b>3 ECTS</b>
Time /Location:	According to the timetable in UZH course catalogue
Lecturer:	Prof. Dr. Zacharias Sautner
Content	
Content of the course	<p>In this course, students will be introduced to essential issues and concepts for financing firms. The course will be conceptual while at the same time being also practical and relevant. The module covers applied topics in finance. The module is built around lecture notes, which deliver the content and case studies that apply the content. The purpose of this course is the introduction of techniques to analyze major financial decisions made by firms. The course focuses on corporate finance concepts that can be applied directly to real-life financial decision making. Main topics covered in the course include hurdle rates and the cost of capital (i.e., the investment decision), the mix of debt and equity and the choice of the right kind of debt (i.e., the financing decisions), and basic valuation concepts (i.e., discounted-cash flow and multiples valuation. The course also discusses concepts related to sustainable finance or ESG issues as relevant for a corporate finance context. The course enables participants to make and assess complex corporate financial decisions.</p> <p><b>Topics Covered</b></p> <ul style="list-style-type: none"> <li>• Corporate Investment Decisions</li> <li>• Measuring Risk for Investment Decisions</li> <li>• Cost of Equity</li> <li>• Cost of Debt</li> <li>• WACC</li> <li>• Measuring Returns for Investment Decisions</li> <li>• Measures of Return</li> <li>• Assessing Existing Investments</li> <li>• Corporate Financing Decisions</li> <li>• Financing Decisions and Tradeoffs</li> <li>• Finding the Right Financing Mix</li> <li>• Cost of Capital Approach</li> <li>• Enhanced Cost of Capital Approach</li> <li>• Sector Approach</li> <li>• Corporate Valuation</li> <li>• Relative Valuation</li> <li>• DCF Valuation</li> <li>• Corporate Finance &amp; ESG</li> <li>• Corporate Governance (G)</li> </ul>

	<ul style="list-style-type: none"> <li>• Governance Objective</li> <li>• Agency Problems</li> <li>• Governance Improvement</li> <li>• Sustainable Finance (E&amp;S)</li> </ul> <p><b>Textbook and Notes</b></p> <p>The course will cover large parts of the book by Damodaran Applied Corporate Finance. The author also has made a PDF version of the 3rd edition of the book available:  <a href="http://pages.stern.nyu.edu/~adamodar/New_Home_Page/ACF3E/manuscript.htm">http://pages.stern.nyu.edu/~adamodar/New_Home_Page/ACF3E/manuscript.htm</a></p> <p>Slides are made available that cover the material discussed in class. Parts of the slides closely follow the book, and you should be able to understand the basic concepts based on the slides. The slides include a series of exercises.</p>
Course's objectives:	Students will acquire expert knowledge to analyze and solve practical issues in corporate finance and develop problem-solving skills to conceptually and critically appraise challenge faced in corporate financial decision making in the future.
The expected outcomes:	<p>On successful completion of this module, students should be able to:</p> <ul style="list-style-type: none"> <li>• undertake and evaluate corporate financial decisions using modern tools of finance</li> <li>• sift through the profusion of information presented in a case</li> <li>• make use of such information to appraise and analyze a given situation and to devise an appropriate plan of action</li> </ul>