

Module: Corporate Finance**SPECIALISED**

- ▶ Department: Finance
 - ▶ Status: Specialised
 - ▶ Credits: 10
 - ▶ Level 6
 - ▶ Pre-Requisites: Financial Statement Analysis,
- run by ESCOEX International Business School,
Organiser: Pascual Carrascal

Overall Aims and Purpose

The aim of this module is to familiarise the student with the processes of financial diagnosis, forecasting and evaluating. At the end of the course students will have the capacity to address company evaluations or projects and have a more solid vision of how the financial function works inside a company.

Indicative Content

Financial modelling:

- Diagnosis and financial forecasts
- P & L Modelling
- Balance Modelling
- Cash Flow Modelling
- How to maintain adequate liquidity: NOF and FM
- Profit Vs Cash Flow

Financial valuation and investment analysis:

- Valuation methods Overview
- NPV, IRR, Pay Back
- Balance-Based Methods
- Methods Based on Multiples (PER, Capital Cost and growth)
- Discount dividend
- WACC
- Discount based on cash flow methods

Financing of business projects

(Material prepared by teachers + Case Studies)

Assessment Methods

1 final exam worth 60%

1 individual assignment worth 40%

Teaching and Learning Strategy

The student will analyse cases and practical exercises from real company situations in order to assess the financial health of a company, evaluate the investment projects possible and the financial structure etc..

200 notional learning hours comprising 112 hours classroom-based and 88 hours tutor-directed student learning.

Key Skills Taught

- D1: Communication and presentation skills including audio, oral and written, using a range of methods.
- D2: Numeracy, computing & information technology skills; this requires familiarity with a range of business data, research sources and appropriate methodologies
- D4: Problem solving skills including identifying, formulating and solving business problems; the ability to create, evaluate and assess a range of options, together with the capacity to apply ideas and

knowledge to a range of situations

D5: The ability to self-appraise and reflect on practice including the development of skills associated with critical reflection

D6: The ability to plan and manage learning in terms of time, behaviour, motivation, self-starting, individual initiative and enterprise

Indicative Reading

Essential Reading:

- Brealey, R, Myers, S (2004), *Fundamentos de finanzas corporativas*, McGraw-Hill, Madrid
- Copeland, T, Koller, T, Murrin, J (1996), *Valuation. Measuring and Managing the Value of Companies*, John Wiley & Sons. Nueva York. (Edición en español: 2003. Valoración. Medición y gestión del valor. Traducción: Luis Corrons)
- Damodaran, A (2002), *Investment valuation: tools and techniques for determining the value of any asset*, John Wiley & Sons, Nueva York
- Fernández,P (2007), *Valoración de empresas: Cómo medir y gestionar la creación de valor*, Ed. Gestión 2000, España
- Revello de Toro Cabello, JM (2004), *La valoración de los negocios. Una guía teórica y práctica para valorar empresas*, Ariel Economía, España
- **Journals – Web pages:** Expansión , Financial Times, Cinco días, The economist