

**COURSE DATA****DATA SUBJECT****Code:** 35916**Name:** Corporate finance**Cycle:** Undergraduate Studies**ECTS Credits:** 6**Academic year:** 2025-26**STUDY (S)**

Degree	Center	Acad. year	Period
1314 - Degree in International Business	Facultat d'Economia	4	First quarter

**SUBJECT-MATTER**

Degree	Subject-matter	Character
1314 - Degree in International Business	Corporate and international finance	ELECTIVES

**COORDINATION**

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**SUMMARY**

This subject focuses on the tools and techniques of finance and how they are employed for the valuation of securities, essential knowledge for any student in International Business.

Students learn how to value assets given the forecasts of future cash flows. The course also concentrates on the risk characteristics of different asset classes, shares specially. The course deals with valuation of stocks, the tradeoff between risk and return, diversification, the capital asset pricing model, debt and dividend policies, and mergers and acquisitions.

This course emphasizes an intuitive and also rigorous understanding of the theory and practice of financial markets. It will combine the theoretical underpinnings of finance with real-world examples, including several case discussions. Mathematical tools will be employed.

**PREVIOUS KNOWLEDGE****RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE**

There are no specified enrollment restrictions with other subjects of the curriculum.



## OTHER REQUIREMENTS

Knowledge on financial management and financial markets is required.

## COMPETENCES / LEARNING OUTCOMES

### 1314 - Degree in International Business

Comprender el efecto del endeudamiento y de la política de dividendos en el valor de mercado de la empresa y conocer las principales teorías desarrolladas al respecto.

Conocer estrategias corporativas como las fusiones o adquisiciones, la optimización de la estructura financiera de la empresa, la identificación y evaluación de fuentes de financiación nacionales e internacionales, así como la diversificación de inversiones.

Ser capaz de modelizar la relación entre riesgo y rentabilidad existente en los mercados financieros.

## DESCRIPTION OF CONTENTS

### 1. UNIT 1 RISK AND RETURN

- 1 Introduction
- 2 Characteristics of financial assets
- 3 Portfolios and diversification

### 2. UNIT 2 THE MARKOWITZ PORTFOLIO SELECTION MODEL

- 1 Introduction
- 2 Markowitz and the portfolio selection
- 3 Efficient portfolios
- 4 Capital allocation and the separation property
- 5 The index model

### 3. UNIT 3 THE CAPITAL ASSET PRICING MODEL (CAPM)

- 1 Introduction
- 2 Assumptions behind the CAPM
- 3 Capital Market Line (CML)
- 4 Security Market Line (SML)
- 5 The CAPM and the index model



#### **4. UNIT 4 THE CHOICE OF CORPORATE CAPITAL STRUCTURE**

- 1 Introduction
- 2 Capital structure in perfect capital markets
- 3 Debt and taxes
- 4 Personal taxes (Millers model)
- 5 The costs of bankruptcy and financial distress

#### **5. UNIT 5 PAYOUT POLICY**

- 1 Introduction
- 2 Cash distributions to shareholders in perfect capital markets
- 3 The tax disadvantage of dividends
- 4 Dividend capture and tax clienteles
- 5 Signaling with payout policy

#### **6. UNIT 6 AGENCY THEORY AND FINANCIAL DECISIONS**

- 1 Introduction
- 2 The agency costs/benefits of leverage
- 3 Asymmetric information and capital structure
- 4 Agency costs and payout policy

#### **7. UNIT 7 MERGERS AND TAKEOVERS**

- 1 Introduction
- 2 Reasons to acquire
- 3 Takeover process
- 4 Takeover defenses
- 5 Who gets the value added from a takeover?

### **WORKLOAD**

#### **PRESENCIAL ACTIVITIES**

<b>Activity</b>	<b>Hours</b>
Theory	30,00
Classroom practices	30,00
<b>Total hours</b>	<b>60,00</b>

#### **NON PRESENCIAL ACTIVITIES**

<b>Activity</b>	<b>Hours</b>
Attendance at other activities	0,00



Individual or group project	40,00
Independent study and work	0,00
Preparation of lessons	35,00
Preparation for assessment activities	15,00
Resolution of case studies	0,00
<b>Total hours</b>	<b>90,00</b>

## TEACHING METHODOLOGY

The theoretical classes will consist in the presentation, by the lecturer, of the contents of the subject. The participation of the student will be valued positively in terms of his critical and debate capacity.

The practical classes will consist of the resolution of exercises by the lecturer and/or the student. For the development of these classes, the student will be provided with a series of exercises, examples and practical cases, a part of which will be used for personal work. In addition, the realization of two group works could be contemplated, which must be presented in class.

## EVALUATION

The course evaluation procedure will consist of:

A Final exam, which may consist of theoretical questions as well as problems and real cases. This exam will account for a minimum of 70% of the final grade. **A minimum grade (50% of maximum grade) must be obtained on this written test so that it can be added to the rest of the grade. This means, student who failed the final exam failed the subject.**

Continuous assessment based on the rest of the face-to-face or online training activities and participation and involvement in the teaching-learning process will account for a maximum of **30% of the course grade**. To pass the subject it will be necessary to obtain a minimum grade of 5 out of 10.

Given the finalist nature of the continuous evaluation, it will not be recoverable in the first call, but it may be recoverable in the second call.

Specifically, in the first call you can obtain a maximum of 7 points in the final EXAM. This note will be completed with the note of the continuous evaluation (up to a maximum of 3 points), **ALWAYS AND WHEN THE EXAM HAS BEEN PASSED** (minimum of 50% of maximum grade). If the EXAM is not passed in the first call, the final mark will be that of the exam and the continuous assessment mark may be saved for the second call.

In the second call, there are two options: if the continuous evaluation has been passed (at least 50% have been obtained out of the maximum points), the final EXAM will have a maximum score of 7 points, which will be completed with the note obtained in continuous evaluation. Otherwise, if the continuous evaluation has not been passed, the EXAM of the second call will allow obtaining up to 10 points.

In any case, in first and second call, Final grade will not be lower than Exam grade.



The grading system will be expressed through numerical grading in accordance with the provisions of art. 5 of the R.D. 1125/2003, of September 5, which establishes the European system of credits and the system of qualifications in university degrees of an official nature and validity in the national territory.\\"

## REFERENCES

- BERK ET AL. Fundamentals of Corporate Finance. Ed. Pearson Education 2024.
- BERK, and DEMARZO. Corporate Finance. Ed. Pearson Education 2024.
- BODIE, Z., R.A., A. KANE, and A. MARCUS. Investments. Ed. Mc Graw-Hill 2024
- HILLIER, GRINBLATT, and TITMAN. Financial markets and corporate strategy. Ed. Irwin-McGraw-Hill, 2008
- HILLIER, ROSS, WESTERFIELD, JAFFE, and JORDAN. Corporate Finance. Ed. McGraw-Hill 2020.
- Brealey, R; Myers, S; Allen, F: Principles of Corporate Finance, 14th ed, McGraw Hill, 2022
- Jordan; Miller, Dilvin: Fundamentals of Investments. McGraw Hill, 2024, 10th ed
- Ross, Westerfield, Jordan: Fundamentals of Corporate Finance. McGraw Hill, 2024