

## Course Unit: 1961003 – Complements of Corporate Finance

Year 1 Semester 1 ISCED Code: 0412 ECTS: 5

Type of Course Unit Compulsory Delivery Mode: Face-to-face / Distance Learning Language of Instruction: Portuguese

COURSE COORDINATOR: Maria Clara Pereira Pires

### HOURS OF WORK

TOTAL HOURS	Contact Hours								Hours in autonomous work
	Theory	Theory and practice	Practical and laboratory work	Field work	Seminar	Internship	Tutorial guidance	Other	
125		30			5				90

Prerequisites (if applicable): <<Max 500 characters with spaces>>

### LEARNING OUTCOMES (knowledge, skills and competence)

After attending the course, the students are expected to:

- Understand the principles of the financial analysis of firms;
- Understand the principles of the economic analysis of firms;
- Understand how leverage affects the risk/return profile of firms;
- Understand the importance of Value Based Management;
- Understand the importance of financial analysis in the context of IFRS and, especially in the Portuguese context.

### CONTENTS

1. Introduction
  - a. Value creation as an objective of management
  - b. Limits of the financial perspective
2. Analysis of financial balance
  - a. Cash Flow statement and the study of the financial equilibrium
  - b. Free cash flow: concept, computation and interpretation
3. Analysis of economic performance
  - a. ROE – Return on Equity
  - b. Financial Leverage
- c. Value-based management: an introduction
4. Case studies about economic and financial analysis of companies

### DEMONSTRATION OF THE CONTENTS COHERENCE WITH THE COURSE UNIT'S LEARNING OUTCOMES

The first module introduces the importance of value creation as the primary management goal. In the second module, it is analyzed the financial stability of companies, based on financial flows. The notion of Free Cash Flow is presented, as ways to compute and interpret it. The third module highlights the importance of conducting a thorough economic analysis of firms. In

particular, it presents the basic concepts underlying such type of analysis and gives special attention to the impact of leverage on the return on equity and on the firms' risk. This module ends by introducing the notion of value based management.

## **TEACHING METHODOLOGIES**

The curricular unit is taught in a b-learning regime – from the 2023-2024 onwards. This teaching modality uses face-to-face teaching tools in 2/3 of the training. In 1/3 of the training, it uses distance learning tools. In the online sessions, active learning strategies will be used, with student-centered learning and activities that encourage their participation.

In this unit, when students attend training in the b-learning regime and participate in synchronous sessions, they authorize the recording of these sessions and their availability in the IPBeja Moodle, without the need for any additional formalism. On the other hand, students must, mandatorily, carry out the assignments/exercises that are part of the evaluation of that session. In the face-to-face modality (2/3 of the Curricular Unit) the subject will be exposed and debated with the students; Analysis of case studies and practical exercises; Students are encouraged to review a scientific article in their extra-class work.

## **DEMONSTRATION OF THE COHERENCE BETWEEN THE TEACHING METHODOLOGIES AND THE LEARNING OUTCOMES**

Both in EaD teaching and in distance learning, the contents to be made available on the Moodle platform will be of a mixed nature (theoretical/practical) in order to facilitate the connection between theory and practice. Discussion in class is encouraged in order to develop skills, to deepen the critical spirit and to motivate students towards the more conceptual learning necessary for a deeper mastery of the content taught. The seminar hours will serve to bring specialists from the outside, experts in the topics of the study plan.

## **EVALUATION METHODS**

Assessment:

- Interventions and class participation, written reports, individual and / or group presentations and literature reviews.
- A mandatory written test focusing on all sections of the program.

It is also included a set of seminars (5h), to be conducted by experts in the topics covered in the syllabus, reinforcing the link to the practice.

## **MAIN BIBLIOGRAPHY**

- Brealey, R., Myers, S. & Allen, F. (2019). *Princípios de Finanças Empresariais*, McGraw-Hill Portugal, 13ª Edição.
- Damodaran, A., (2014). *Applied Corporate Finance*. 4th edition. Wiley.
- Esperança, J & Matias, F. (2009). *Finanças Empresariais*, Texto Editores.
- Hawawini, G. & Viallet, C. (2019). *Finance for Executives – Managing for Value Creation*, 6th Edition. Cengage Learning EMEA
- Mota, A., Barroso, C., Nunes, J., Oliveira, L., Ferreira, M & Inácio, P (2020). *Finanças da Empresa, Teoria e Prática*, 6ª edição, Edições Sílabo.
- Robinson, T. (2020). *International Financial Statement Analysis*. 4th Edition. Wiley.
- Ross, S., Westerfield, R. & Jaffe, J. (2018). *Fundamentals of Corporate Finance*, 12th Edition. McGraw-Hill E.
- Walsh, Ciaran (2009). *Key Management Ratios*, Prentice Hall – Financial Times Series. 4th Edition. FT Press.
- Papers fornecidos pelo docente.

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