

IB236-15 Finance 2: Corporate Finance

26/27

Department

Warwick Business School

Level

Undergraduate Level 2

Module leader

Richard White

Credit value

15

Module duration

10 weeks

Assessment

10% coursework, 90% exam

Study location

University of Warwick main campus, Coventry

Description

Introductory description

This second-year module builds on the first-year Financial Management module and deepens students' understanding of firms' key financial decisions. We revisit core tools of project appraisal, valuation, and capital structure and extend them to more complex settings, including payout policies. The module also introduces international corporate finance, risk management, corporate governance and mergers and acquisitions, using theory, empirical evidence and real-world applications. It is designed to strengthen analytical skills and prepare students for advanced undergraduate study of finance.

This module is only open to WBS undergraduate students. Students from other departments cannot take this module.

[Module web page](#)

Module aims

- Make students critically aware of the key financial decisions taken by firms.
- Develop in students a sound understanding of the main theories and models of Corporate Finance.
- Make students aware of key empirical tests of those models, and their implications.

- Provide students with structured opportunities to practise using the key tools and techniques of Corporate Finance.
- Prepare students for advanced undergraduate and postgraduate studies in Finance.

Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Capital budgeting and firm valuation

Capital structure

Risky debt

Payout policy

International corporate finance

Risk management

Corporate governance

Mergers and acquisitions

Learning outcomes

By the end of the module, students should be able to:

- Explain the factors that determine the optimal investment, financing and payout decisions of a firm.
- Identify alternative methods for valuing firms to gain important insights into value drivers.
- Explain the main motives for mergers and acquisitions.
- Critically discuss key theoretical models and the assumptions that underpin those models, and reflect critically on their limitations.
- Evaluate empirical evidence.
- Communicate complex ideas effectively.

Indicative reading list

[Reading lists can be found in Talis](#)

Subject specific skills

Apply theory to discuss topical issues in practice of Corporate Finance.

Compute the cost of capital of a firm under alternative assumptions.

Use web-based resources to retrieve, process and interpret corporate financial data.

Solve numerical problems and analyse case-study information.

Transferable skills

Design spreadsheets to solve practice-oriented numerical problems.

Analyse case studies, formulate arguments to support a particular solution and evaluate key assumptions.

Write informed critiques of topics in Corporate Finance.

Study

Study time

Type	Required
Lectures	10 sessions of 1 hour (7%)
Seminars	9 sessions of 1 hour (6%)
Online learning (independent)	10 sessions of 1 hour (7%)
Private study	48 hours (32%)
Assessment	73 hours (49%)
Total	150 hours

Private study description

Private Study.

Costs

No further costs have been identified for this module.

Assessment

You do not need to pass all assessment components to pass the module.

Assessment group D5

Assessment component	Weighting	Study time	Eligible for self-certification
Participation	10%	8 hours	No
Reassessment component			

	Weighting	Study time	Eligible for self-certification
Individual Assignment			Yes (extension)

Assessment component

Centrally-timetabled examination (On-campus)	90%	65 hours	No
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- Students may use a calculator
- Answerbook Gold (24 page)

Reassessment component is the same

Feedback on assessment

Feedback will be provided via my.wbs.

[Past exam papers for IB236](#)

Availability

Pre-requisites

To take this module, you must have passed:

- All of
 - [IB235-15 Finance 1: Financial Markets](#)

Post-requisite modules

If you pass this module, you can take:

- IB3H7-15 Mergers and Acquisitions

Anti-requisite modules

If you take this module, you cannot also take:

- EC333-15 Topics in Financial Economics: Theories and International Finance
- IB254-15 Principles of Finance 2
- ST339-15 Introduction to Mathematical Finance
- IB2CF-15 Corporate Finance for Business

Courses

This module is Core for:

- Year 2 of UIBA-N400 Undergraduate Accounting and Finance
- UIBA-N404 Undergraduate Accounting and Finance (with Foundation Year and Placement/Undergraduate Partnership Programme)
 - Year 3 of N4N7 Accounting and Finance (Foundation Year and Intercalated)
 - Year 3 of N404 Accounting and Finance (Foundation Year and Placement)
 - Year 3 of N405 Accounting and Finance (Foundation Year and UPP)
 - Year 3 of N403 Accounting and Finance (with Foundation Year)
- Year 3 of UIBA-N403 Undergraduate Accounting and Finance (with Foundation Year)
- UIBA-N401 Undergraduate Accounting and Finance (with Placement Year/Undergraduate Partnership Programme)
 - Year 2 of N401 Accounting and Finance (Placement)
 - Year 2 of N402 Accounting and Finance (Undergraduate Partnership Programme)