

IB9Y7-15 Corporate Finance

26/27

Department

Warwick Business School

Level

Taught Postgraduate Level

Module leader

Andrea Gamba

Credit value

15

Module duration

10 weeks

Assessment

25% coursework, 75% exam

Study location

University of Warwick main campus, Coventry

Description

Introductory description

This module is designed to provide students with MSc Finance level knowledge of Corporate Finance problems and how to tackle them.

[Module web page](#)

Module aims

The goal is that students be equipped to apply state of the art ideas of modern Corporate Finance theory as well as the quantitative tools to solving the types of problems faced by CFOs and other business executives who must make investment, financing, risk management, and payout decisions taking account of flexibility and discretion under uncertainty, tax consequences, and financing effects. Students will also be able to trace the effects of considerations such as corporate and personal taxes, bankruptcy costs, information signaling, and conflicts of interest on investment decisions and on financial structure decisions. Finally, students will understand the use of option- pricing techniques in corporate finance to evaluate corporate securities and investment projects.

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.

Valuation

Financing and capital structure

Capital structure and frictions

Capital structure and incentives: financial contracting

Capital budgeting: foundations

Capital budgeting: extensions

Capital budgeting: real options

Corporate risk management

Payout policy and cash management

Corporate governance

Learning outcomes

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

- Discuss the key issues involved in capital budgeting, capital structure, risk management, payout and governance decisions.
- Assess models and theories of the above described decisions, vis-a-vis empirical evidence, in different context and assumptions.
- Critically evaluate different techniques for the above listed problems, so to use the best approach given the circumstances of each corporate finance problem.

Indicative reading list

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

Subject specific skills

Use modern valuation techniques to solve problems in capital budgeting, capital structure, risk management, and payout decisions.

Transferable skills

Written skills.

Problem solving.

Study

Study time

Type	Required
Lectures	10 sessions of 2 hours (13%)
Seminars	9 sessions of 1 hour (6%)
Private study	49 hours (33%)
Assessment	72 hours (48%)
Total	150 hours

Private study description

Private study to include preparation for lectures and own reading

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 DA

	Weighting	Study time	Eligible for self-certification
Assessment component			
Class Test 1 hour, open questions (plus 5 mins reading time)	25%	18 hours	No
Reassessment component is the same			
Assessment component			
Centrally-timetabled examination (On-campus) 3 hours (plus 15 minutes reading time), open question	75%	54 hours	No

- Answerbook Pink (12 page)
- Students may use a calculator

Weighting **Study
time**

**Eligible for self-
certification**

Reassessment component is the same

Feedback on assessment

Feedback via My.WBS

[Past exam papers for IB9Y7](#)

Availability

Courses

Course availability information is based on the current academic year, so it may change.
This module is Core for:

- Year 1 of TIBS-N300 MSc in Finance
- Year 1 of TIBS-LN1J Postgraduate Taught Finance and Economics