

<b>M10 Corporate Finance &amp; Investment Banking</b>	
<b>Lecturer</b> Prof. Dr. Thorsten Feix	<b>Module coordinator</b> Prof. Dr. Thorsten Feix
<p><b>Content</b></p> <p><i>Investment Banking, on the one side, was in the eye of the hurricane of the last Global Financial Crisis in 2008. On the other side, Corporate Finance (CF) is, besides Corporate Strategy, a mission critical capability of management teams. But in the end “Corporate Finance and Investment Banking” are just two sides of the same coin. We will teach the lectures from a holistic view and will touch upon crucial 21<sup>st</sup> century business questions like:</i></p> <ul style="list-style-type: none"> <li>• Capital structure, cost of capital and credit ratings</li> <li>• Does an optimal capital structure exist and the role of leverage</li> <li>• Payout (dividend) policy and share buybacks</li> <li>• Initial Public Offerings (IPO) and Equity Underwriting</li> <li>• Debt Markets and Underwriting</li> <li>• Venture Capital, Incubation and Acceleration (link to M13)</li> <li>• Valuation and Financing</li> <li>• Corporate Portfolio Management, Corporate Strategy and Strategic Finance</li> <li>• Financial Restructuring and Divestures</li> </ul>	
<p><b>Prerequisite for Participation</b></p> <ul style="list-style-type: none"> <li>• Detailed understanding of basic Corporate Finance concepts, like net present value, perpetuities and annuities with and without growth, the valuation of bonds and stocks, portfolio theory and techniques. Therefore, the lecture on “<i>Valuing Securities and Companies</i>” of the first term is a prerequisite.</li> </ul> <p><b>Preparation / Reading</b></p> <ul style="list-style-type: none"> <li>• Brealey, R. A.; Myers, S. C.; Allen, F.: “<i>Principles of Corporate Finance</i>”, 13<sup>th</sup> ed., McGrawHill, 2020 (chapters of first term).</li> </ul>	
<p><b>Intendend learning outcomes</b></p> <ul style="list-style-type: none"> <li>• Students will gain an extensive overview of 21<sup>st</sup> century Corporate Finance &amp; IB issues</li> <li>• They understand how to deploy modern CF and IB tools to navigate an international corporation through global capital markets</li> <li>• They develop competencies to define an optimized capital structure and dividend policy.</li> <li>• They know the specifics of equity and debt market instruments</li> <li>• As well they have a thorough understanding how corporate strategy and corporate finance concepts interact</li> </ul>	

**Teaching & Learning methods**

“Corporate Finance and Investment Banking” is based upon the following learning methods

- *Classroom sessions:* Text book and article-based teaching and discussions
- *Case Studies:* Applying the learned concepts on real world problems (case studies)
- *New E-Learning concepts* like FT and Economist online resources, ...
- *Term papers and presentations* by students
- *Best practice lectures* by blue chip corporations, investment banks and consultancies

**Practicability of course within other courses of the program**

- The lectures build upon the first term lectures on “Valuing securities and companies”.
- “Corporate Finance and Investment Banking” lectures together with M7 “Corporate Strategy, Strategic Innovation and New Business Designs” and M8 “Corporate Venture Capital, Incubation and Acceleration” will provide an integrated board view as nowadays applied in truly international corporations.
- Corporate Finance & IB tools will be applied on multiple corporate finance case studies.
- The lecture should enable students to gain competencies they need if they want to kick off their career in an international corporation (especially in corporate finance)

**Literature**

- Brealey, R. A.; Myers, S. C.; Allen, F. (2020). *Principles of Corporate Finance*. 13<sup>th</sup> ed., McGrawHill (advanced chapters).
- Copeland, T., Weston, J., Shastri, K., (2004). *Financial Theory and Corporate Policy*, Amsterdam.
- Berk, J.; DeMarzo P. (2011). *Corporate Finance*. Pearson; 2<sup>nd</sup> edition.
- Bodie, Z.; Kane, A.; Marcus, A. J. (2011). *Investments and Portfolio Management*. 9<sup>th</sup> ed., McGraw-Hill;
- Davies, T.; Boczko, T.; Chen, J. (2008). *Strategic Corporate Finance*; Mc-Graw Hill.
- Pettit, Justin (2007). *Strategic Corporate Finance – Applications in Valuation and Capital Structure*. Willey.
- Smith, J., K.; Smith, R. L. (2019). *Entrepreneurial Finance – Venture Capital, Deal Structure & Valuation*. 2<sup>nd</sup> ed., California: Stanford University Press.

**Course organisation**

<b>ECTS-Credits</b> 6	<b>SWS</b> 4	<b>Language</b> English
<b>Kind of module</b> Compulsory	<b>Term</b> Summer Term	<b>Duration</b> 1 term
<b>Workload</b> 6 ECTS-Credits x 30 hours = 180 hours:		
<b>Attendance</b> 15 weeks * 3 hours = 45 hours	<b>Preparation / Homework /</b> 15 weeks * 3 hours = 45 hours	<b>Time for (group) exercises</b> 15 weeks * 2 hours = 30 h.
<b>Semester project / Presentation</b> 60 hours	<b>Exam preparation</b> ---	<b>Exam time</b> • 60 minutes presentation • Term paper
<b>Prerequisite for the exam</b> Non		
<b>Exam requirements</b> Non	<b>Weighting in examination</b> Written exam: 50 % • Term Paper (incl. presentation): 50 %	