

## Module description

### Corporate Finance

<b>Prerequisite</b>	Basic knowledge in Business for Corporate Finance I and knowledge from Corporate Finance I for the following presentation Corporate Finance II.	
<b>Teaching methods</b>	Lecture/seminar	
<b>Learning target</b>	Expertise as a consultant	
	<ul style="list-style-type: none"> <li>■ Preparing investment and financing decisions/controlling with regard to target/assumptions and progress monitoring</li> <li>■ Planning Working Capital Management measures and implementation in a target-oriented way</li> <li>■ Developing and implementing of concepts regarding Value Management; in accordance with customer-oriented specifications as e. g. <ul style="list-style-type: none"> <li>o Structural characteristics</li> <li>o Different economic sectors</li> <li>o Reporting</li> </ul> </li> </ul>	
<b>Duration</b>	2 Semester	
<b>Hours per week</b>	4.0	
<b>Overview</b>	<ul style="list-style-type: none"> <li>■ Classes: 45 h</li> <li>■ Individual/ Group work: 135 h</li> </ul> <hr style="width: 20%; margin-left: 0;"/> <ul style="list-style-type: none"> <li>■ Workload: 180 h</li> </ul>	
<b>Credits and grades</b>	Part 1: written examination (60 min)  Part 2: project thesis and presentation (Group examination is possible)  Both grades are equally weighed in the module grade. The module grade is factored in 7/90 in the final grade.	
<b>ECTS</b>	6.0	
<b>Responsible person</b>	Prof. Dr. Rainer Fischer	
<b>Max. participants</b>	20	
<b>Recommended semester</b>	1 and 2	
<b>Frequency</b>	Every sem.	
<b>Usability</b>	The content of the module can also be used for the University's own part-time program "General Management" as well as for general business or industrial engineering master programs of other universities (in Germany and abroad).	
<b>Lectures</b>	<b>Corporate Finance II</b> Type Seminar Nr. IBC-01-02 Hours 2.0 per week Lecture contents Corporate Finance II keeps focus on the so-called Value Based Management which is mainly represented by the Shareholder Value Concept - an interdisciplinary approach that aligns resource allocation, financial and accounting theory and competitive analysis with the impact of creating value.	

The seminar is divided into different modules that present an overview of different perspectives:

Module 1 General Framework: Introduction to value thinking

Module 2 Financial Valuation Framework: VBM and financial theory

Module 3 Strategic Valuation Framework: VBM and competitive analysis

Module 4 Technical Framework: Valuation techniques

Dealing with the first module students are introduced to value thinking. Value measures are contrasted to accounting measures. In the second module a financial perspective is taken. In the third module the strategic context is given. Module four presents an overview of different valuation methods (especially the discounted cash flow method and the economic value added approach).

In each module theory is applied on cases that focus on an international context. The cases explore the difficulties of implementing value based metrics in companies and deal with the transformation of enterprises under VBM.

Based on the case studies the lecturers moderate and comment different opinions of the groups to give students an impression of alternative solutions. Finally, each student has to work out an analyst report of a chosen company.

- Literature
- Arnold, G./Davies, M. (ed.): Value-based Management: Context and Application, New York et al 2000, (WD 691a).
- Brealey, R. A./Myers, S. C.: Principles of Corporate Finance, 9th edn., New York 2008, (WO 216a).
- Copeland, T. E./Koller, T./Murrin, J. F.: Valuation: Measuring and Managing the Value of Companies, 3rd edn., New York 2000, (WD 026b).
- Eccles, R. et al: The Value Reporting Revolution, New York et al 2001, (WR 190 a).
- Hawawini, G.: Finance for Executives: Managing for Value Creation, Cincinnati 1999, (WO 232a).
- Kaplan, R. S./Norton, D. P.: The Balanced Scorecard: Translating strategy into action, Harvard 1996, (WD 617a).
- Martin, J. D./Petty, J. W.: Value-Based Management, Harvard 2000, (WD 413a).
- Rappaport, A.: Creating Shareholder Value: A Guide for Managers and Investors, 2nd edn., New York 1998, (WX 039a).
- Schwenker, B./Spremann, K.: Management between Strategy and Finance, Berlin 2009 (WD 920a).
- S. David Young and Stephen F. O'Byrne: EVA and Value-Based Management: A Practical Guide to Implementation, McGraw-Hill, 2001.

### Corporate Finance I

Type	Lecture
Nr.	IBC-01-01
Hours per week	2.0
Lecture contents	Corporate Finance is an integrated management approach dealing with the financial decisions corporations make and the tools and analysis used to make these decisions on a high level of quality. Laying emphasis on a traditional point of view, the focus here is on managing cash, inventories, Corporate Finance the primary goal is to maximize corporate value. Generally the discipline can be divided into a long-term and short-term decision making. Capital investment decisions are long-term choices about which projects receive investment, whether to finance investments with equity, debt or

mezzanine capital, and to decide about the dividend policy. The Shareholder Value Concept - as an essential in context of managing a company - will also be covered.

On the other hand, the short term decisions can be grouped using the heading "Working capital management". This subject deals with the short-term balance of current assets and current liabilities and short-term borrowing and lending (described as accounts receivables).

Due to didactical reasons the lesson Corporate Finance is divided in two parts (Corporate Finance I offered in winter term and Corporate Finance II in summer term each year).

Corporate Finance I keeps focus on the traditional field of Investment and Finance. Based upon an introduction which answers the general question "Which are the tasks of a CFO?" the lesson is divided into three parts:

Part 1 Objects of investments

Part 2 Net Present Value and other Investment Criteria

Part 3 Accounting & Finance

Profit & Loss Statement\*

Cash flow Statement

Alternatives of financing

Part 4 Working Capital Management

\*A deeper insight to the topic of profit & loss statement will be given in the modules Accounting I and II.

Part two, three and four apply case studies to pursue the required practical approach.

- Literature
- Brealey, R.A./Myers, S.C./ Marcus, A. J.: Fundamentals of Corporate Finance, 5th edn., New York 2004.
- Handout Investment & Finance, Prof. Dr.D. May, Prof. Dr. R. Fischer, University of AS Offenburg.
- Arnold, G./Davies M. (ed.): Value-based Management: Context and Application, New York et al 2000.
- Brealey, R. A./Myers, S.C.: Principles of Corporate Finance, 9th edn., New York 2008.
- Copeland, T. E./Koller, T./Murrin, J. F.: Valuation: Measuring and Managing the Value of Companies, 3rd edn., New York 2000.
- Eccles, R. et al: The Value Reporting Revolution, New York et al 2001.
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- S. David Young and Stephen F. O'Byrne: EVA and Value-Based Management: A Practical Guide to Implementation, McGraw-Hill, 2001.