

Foundations of Finance (50006)

— Syllabus —

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This course is an introduction into corporate finance. It follows strictly the book *Principles of Corporate Finance* by Brealey et al. (2019). We expect students to prepare and study the slides and the book. Note that the slides include graphs and tables from the book's most recent version. To learn for this course, however, older versions of the Brealey et al. book suffice.

The outline of the course is as follows:

1. Introduction and administration
2. Value: book chapters 1-6
3. Risk: book chapters 7-9
4. Best practices in capital budgeting: book chapters 10-12
5. Financing decisions and market efficiency: book chapters 13-15
6. Payout policy and capital structure: book chapters 16-19
7. Options: book chapters 20-22
8. Debt financing: book chapters 23-25
9. Risk management: book chapters 26-27
10. Financial planning and working capital management: book chapters 28-30
11. Mergers, corporate control, and governance: book chapters 31-33
12. Summary, conclusion, and Q&A: book chapter 34

The course consists of twelve lectures covering each chapter of the book as well as eight tutorials in which students solve problem sets and practice their knowledge from the lectures. We further provide a set of quizzes. Students should use the quizzes to check their knowledge on their own (or in groups).

To get credits for this course, students have to pass a final exam of 60 minutes.

References

Brealey, R. A., S. C. Myers, and F. Allen (2019). *Principles of Corporate Finance*. 13. McGraw-Hill Higher Education.