

# **Máster Universitario en Finanzas y Banca/ Master of Science in Finance and Banking**

## **1. SUBJECT**

- **Name:** Corporate Finance and Valuation
- **Type of subject:** compulsory
- **Credits:** 4 ECTS
- **Hours dedication:** 24 hours (in classroom)  
76 hours (out classroom)
- **Coordinator of the subject:** Albert Banal, Xavier freixas
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- **Professor Albert Banal, Xavier freixas:**
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## **2. COURSE DESCRIPTION**

### **Contents**

The second topic, business valuation, will cover modern valuation principles and tools. The valuation of liabilities will be expanded, with Modigliani-Miller's theorem and its limitations. The main tool for asset valuation, the weighted average cost of capital (WACC) and the capital structure will be analysed. Value creation tools and techniques such as EVA and CFROI, relative valuation techniques such as company value multiples, and the implications of cash valuation, cross shareholdings and stock options will also be discussed.

### **Specific Abilities**

**SA1.** Analyse the impact of the accounting framework, macroeconomics and international finance on the management of the company, studying the current and expected context, in order to maximise the value of the company.

**SA2.** Demonstrate an understanding of financial institutions operations, as well as the impact that banking regulation has on them.

**SA3.** Proficiency in applying financial tools to estimate the value of financial products, real assets, and companies, through qualitative, econometric and statistical techniques

**SA5.** Demonstrate an understanding of the interaction between financial assets and liabilities and real assets and business models.

**SA6.** Identify the possibilities of the digital economy for understanding customer needs and expectations.

**SA8.** To be able to draw conclusions in order to contribute some new aspects to the field of knowledge.

**Teaching methodology**

**TM1 Traditional methodologies:** this includes lectures based on the lecturer's explanations.

**TM2 Active methodologies:** this includes discussion sessions on previously assigned reading; presentations of topics by students.

**TM3 Independent methodologies:** this includes reading texts and carrying out individual or group assignments.

**Evaluation criteria**

Evaluation	Minimum	Maximum
Exam	40%	70%
Presentations	10%	30%
Individual our group project	20%	40%
Participation in the activities planned within the classroom	10%	30%
<b>Total</b>	<b>80%</b>	<b>170%</b>

**3. BIBLIOGRAPHY**

Corporate Finance, by Stephen A. Ross, Randolph W. Westerfield and Jeffrey Jaffe (RWJ), 10th edition, McGraw-Hill 2013.

R. Brealey, S.C. Myers, and F. Allen, Principles of Corporate Finance, any edition, McGraw-Hill.

R.C. Higgins, Analysis for Financial Management, any edition, McGraw-Hill.