

Corporate Finance (GTÜPZ228, GTÜPZ1031AB)

for regular students

**Syllabus
2016/17 II. semester**Topic

Week/ date	Content of lectures
07/02/2017	Importance of finance in a company, the task of a financial manager
14/02/2017	Analysis of the financial report. The structure of balance sheet and income statement
21/02/2017	Cash flow and ratio analysis
28/02/2017	Static and dynamic investment appraisal methods (NPV, IRR, Payback, Annuity, ARR)
07/03/2017	Drawback and advantages of dynamic methods. Practical issues of investment decisions 1. (capital constraints, working capital)
14/03/2017	Practical issues of investment decisions 2. (inflation, timing, lifetime, sophisticated capital allocation methods)
21/03/2017	Practical issues of investment decisions 3. (WACC calculations)
28/03/2017	Rector holiday
04/04/2017	NPV modell, Investment decisions in an uncertain world - sensitivity analysis
11/04/2017	Principles of financing (MM views, MM-I, MM-II)
18/04/2017	The interaction between investment and financing decisions (ANPV, Miles-Ezzel formula, MM formula)
25/04/2017	Alternative financing approaches (pecking order, agent theory, matching)
02/05/2017	The principles of economics in a company, ratio analysis
09/05/2017	Budgeting process Stock and cash reserves management

Week/ date	Content of seminars
07/02/2017	Balance sheet and income statement
14/02/2017	Cash flow and ratio analysis Profitability, liquidity and efficiency ratios
21/02/2017	Static investment appraisal methods
28/02/2017	Dynamic investment appraisal methods
07/03/2017	Replacement case study Visnu, Hammid case study
14/03/2017	Superinvest case study,
21/03/2017	Sensitivity case study
28/03/2017	Rector holiday
04/04/2017	Deduction of MM-I
11/04/2017	Lease or buy case study Operational and financial leverage
18/04/2017	Liquid case study
25/04/2017	Baumol, Wilson case study, Debtor's limit case study Profitability of deal
02/05/2017	Exam
09/05/2017	Supplementary exam

Compulsory literature:

TAMOP literature from Corporate Finance

Brealey/Myers: Principles of Corporate Finance

Slides and supplementary readings available at website of department http://gtk.uni-miskolc.hu/uzleti/letoltesek?file_category_id=275&order_type=NAME&view_type=GRID

Offered readings:

Aswath Damodaran: Corporate Finance

Course Assignment

- Prerequisite: Attendance min 70% of total lectures
- Analysis of a financial report (20 points) – 15 points for a word document + Excel spreadsheet + 5 point for short presentation
- Written one exams with Excel at the computer room of Intitute in the last seminar (40 points) Maximum 30% of total score comes from theoretical questions, minimum 70% comes from examples. Total score: 60 points
- Evaluation: 0-40 (1) unsatisfactory, 41-50 (2) satisfactory, 51-60 (3) average, 61-70 (4) good, 71-80 (5) excellent

Miskolc, February 5, 2017

Structure of financial report analysis

1. Please choose a registered company from the premium category from your native country and choose a benchmark company.
2. The benchmark company should be a big, well-known international company from the same industry as your chosen company, and its share should be registered in a Stock Exchange.
3. Download their last annual report of these two companies from their website and create an excel sheet by typing the required data (balance sheet and income statement from the current and previous year) into separate worksheet (one for the home company, one for the international one).
4. Make the cash flow and ratio analysis of the chosen companies and determine the “d” indicator.
5. By the P/E ratio please determine the current share value of the home company.