

## **Corporate Finance (GTÜPZ228MLA)**

for correspondence students

### ***Syllabus 2017/18 II. semester***

#### Topic

<b>Week/ date</b>	<b>Content of lectures</b>
17/02/2018	Importance of finance in a company, the task of a financial manager Analysis of the financial report. The structure of balance sheet and income statement Cash flow and ratio analysis
03/03/2018	Static and dynamic investment appraisal methods (NPV, IRR, Payback, Annuity, ARR) Drawback and advantages of dynamic methods. Practical issues of investment decisions 1. (capital constraints, working capital) Practical issues of investment decisions 2. (inflation, timing, lifetime, sophisticated capital allocation methods, WACC calculations)
27/02/2018	<b>Principles of financing (MM views, MM-I, MM-II) The interaction between investment and financing decisions (ANPV, Miles-Ezzel formula, MM formula) Presentations</b>

#### **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](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: none
- Analysis of a financial report (20 points) – 5 points for a word document + 10 points for Excel spreadsheet + 5 point for short presentation You should reach at least 11 points for signature
- Written one exams with Excel at the computer room of Intitute in the examination period (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, 2018

# Structure of financial report analysis

1. Please choose a registered company from the premim 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.
6. Present your results