

Corporate Finance (GTÜPZ228MA, GTÜPZ1031AB)

for regular students

Syllabus
2019/20 II. semester

Topic

Week/ date	Content of lectures
11/02/2020	Importance of finance in a company, the task of a financial manager
18/02/2020	Analysis of the financial report. The structure of balance sheet and income statement
24/02/2020	Cash flow and ratio analysis
03/03/2020	Static investment appraisal methods (Payback, ARR)
10/03/2020	Static investment appraisal methods (NPV, IRR, Discounted Payback, Annuity, ARR)
17/03/2020	Drawback and advantages of dynamic methods. Practical issues of investment decisions 1. (capital constraints, working capital)
24/03/2020	Practical issues of investment decisions 2. (inflation, timing, lifetime, sophisticated capital allocation methods)
31/03/2020	WACC calculations
07/04/2020	NPV modell, Investment decisions in an uncertain world - sensitivity analysis
14/04/2020	Principles of financing (MM views, MM-I, MM-II)
21/04/2020	The interaction between investment and financing decisions (ANPV, Miles-Ezzel formula, MM formula)
28/04/2020	Working capital management
05/05/2020	Short presentations of financial report 1
12/05/2020	Short presentations of financial report 2

Week/ date	Content of seminars
11/02/2020	Balance sheet and income statement
18/02/2020	Cash flow and ratio analysis Profitability, liquidity and efficiency ratios
24/02/2020	Static investment appraisal methods
03/03/2020	Dynamic investment appraisal methods
10/03/2020	Replacement case study Visnu,
17/03/2020	Hammid case study
24/03/2020	Superinvest case study,
31/03/2020	Sensitivity case study
07/04/2020	Deduction of MM-I
14/04/2020	Lease or buy case study Operational and financial leverage
21/04/2020	Liquid case study
28/04/2020	Baumol, Wilson case study
05/05/2020	Debtor's limit case study Profitability of deal
12/05/2020	Case evaluation (marketing campaign, factoring, discount)

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) – 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, 2020

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.
6. Present your results