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Course title	Principles of Corporate Finance			
Course code	FINA203			
Course type	Theoretical, Compulsory Course			
Level	Undergraduate			
Year / Semester	Year 2 Semester 3			
Teacher's name	Demetris Demetriou			
ECTS	6	Lectures / week	3	Laboratories / week
Course purpose and objectives	This course aims to provide, a theoretical framework used to address issues in project appraisal and financing, payout policy, capital structure, mergers and acquisitions, equity offerings, and risk management.			
Learning outcomes	<p>After the completion of the course students are expected to:</p> <ul style="list-style-type: none"> • Be able to explain how to value projects, and use key capital budgeting techniques • Understand and apply real option theory as an advanced technique of capital budgeting • Understand the relevance, facts and role of the pay-out policy, and calculate how pay outs affect the valuation of securities • Understand the trade-off firms face between tax advantages of debt and various costs of debt • Calculate and apply different costs of capital in valuation • Understand and explain different capital structure theories, including information asymmetry and agency conflict • Understand how companies issue new shares, and calculate related price impact in security offerings • Discuss why merger and acquisition activities exist, and calculate the related gains and losses • Understand risk, hedging, and numerous financial securities as tools to manage risk. 			
Prerequisites	ECON102 Introduction to Economics	Required	None	
Course content	<ul style="list-style-type: none"> • Project evaluation: The NPV rule and IRR rules of investment appraisal, Comparison of NPV and IRR • “Wrong” investment appraisal rules: Payback and accounting rate of return. 			

	<ul style="list-style-type: none"> • Real options: Definition and importance of Real options in project valuation, Definition and calculation of the source of option value, • Three types of real options: To abandon, To expand, To wait • Dividend theory: The Modigliani–Miller and dividend irrelevancy, Lintner’s fact about dividend policy, Dividends, taxes and clienteles, Asymmetric information and signalling through dividend policy • Capital structure: The Modigliani–Miller theorem, Capital structure irrelevancy, Taxation, Bankruptcy costs and capital structure, Weighted average cost of capital, Modigliani-Miller 2nd proposition, The Miller equilibrium, Asymmetric information: 1) The under-investment problem, asymmetric information, 2) The risk-shifting problem, asymmetric information, 3) Free cash-flow arguments, 4) The pecking order theory, 5) debt overhang • Corporate governance: Separation of ownership and control, management incentives, Management shareholdings and firm value • Mergers and acquisitions: Motivations for merger activity, calculating the gains and losses from merger/takeover, The free-rider problem and takeover activity. • Equity offerings: Venture capital and equity issuance in the public market, Perform valuation with multiple financing rounds, Initial public offerings and underpricing, Winners’ curse problem. • Risk management: Why and how companies manage risk, Cost of hedging, Covered and uncovered interest rate parity
<p>Teaching methodology</p>	<ul style="list-style-type: none"> • Classroom based • Discussion and Analysis using case studies and examples • Use of Internet and associated I.T. infrastructure • Slideshow using Video Projector, Use of whiteboard • Q & A Sessions
<p>Bibliography</p>	<p>Greek Bibliography</p> <ul style="list-style-type: none"> • Παπαδεάς, Ρ. (2015). Διοικητική λογιστική. Kallipos, Open Academic Editions. http://hdl.handle.net/11419/2449 • Αποστολόπουλος, Ι.(2012) Ειδικά Θέματα Χρηματοδοτικής Διοικήσεως. Σταμούλης , ISBN:978-960-351-902-7 • Φίλιος Β.(2012), Διοικητική λογιστική (Management accounting) : Κοστολόγηση & λογιστική κόστους για τη λήψη επιχειρησιακών αποφάσεων. ΟΠΑ, ISBN: 9789609443081. • Δημητράς, Α., Μπαλλάς(2010), Διοικητική λογιστική για προγραμματισμό και έλεγχο, 2nd, Gutenberg, ISBN: 9789600112726 • Νιάρχου, Ν.(2004), Χρηματοοικονομική Ανάλυση Λογιστικών Καταστάσεων. Σταμούλης. ISBN:978-960-351-486 • Brigham, W.(1986), Βασικές Αρχές της Χρηματοοικονομικής Διαχείρισης και Πολιτικής, Παπαζήση, ISBN 960-02-0302-4 <p>English Bibliography</p> <ul style="list-style-type: none"> • Gaétan Breton(2019), Postmodern Accounting Theory : An Institutional Approach. Bingley: Emerald Publishing Limited, ISBN 9781787697942. <p>EBSCOhost</p>

	<ul style="list-style-type: none"> • Gary Cokins(2009), Performance Management : Integrating Strategy Execution, Methodologies, Risk, and Analytics. Hoboken, N.J.: Wiley, ISBN 9780470449981 EBSCOhost • Garrison, R., Noreen, E. (2021),Managerial Accounting 17th ed. McGraw Hill, ISBN: 978-1260247787. • Williams, R., Haka, Susan(2015), Financial & managerial accounting : The basis for business decisions,17th, McGraw Hill Education, ISBN: 9781259255830. • Horngren, C., Harrison, W., Oliver, S.(2012), Financial & managerial accounting : The managerial chapters,3rd, Prentice Hall, ISBN: 9780132497923. • Nikbakht, E., and GropPELLI, A. A. (2018). Finance. 7th Edition. Barron's Educational Series, Inc. ISBN: 978-1-4380-1036-6. ISBN:9789351380665. • Mathur, S. B., and Rangarajan, C. (2015). Financial Management: Theory and Practice. New Delhi : Laxmi Publications Pvt Ltd. EBSCOhost.
Assessment	<ul style="list-style-type: none"> • Attendance and Class Participation: 10% • Assignment: 20% • Intermediate Written Examination: 30% • Final Written Examination: 40%
Language	English or Greek