

## **CORPORATE FINANCE II**

Degree(s)	: Management; Finance
Type	: Compulsory course unit
Curricular year/semester	: 3rd year – 1st / 2nd Semester
ECTS / hours per week	: 6 ECTS / 4.0 Hours
Workload per Week	: 2Theoretical x 1Hour + 1Practical x 2Hours
Teacher responsible	: Professor Pedro Rino Vieira (1st Semester) : Professor Clara Raposo (2nd Semester)

### **OBJECTIVES**

This course develops the tools previously seen in Financial Statement Analysis and Calculus, with the main objective of understanding the financial decisions made by firms.

The course covers the fundamental concepts and tools of the modern theory of Finance that are required to analyse corporate financial decisions.

After a revision of basic concepts, the course will address the Investment Decision (Capital Budgeting), the Financing Decision (choice of Debt and Equity Capital), and the Payout Decision (whether to distribute or retain earnings, and how).

The teaching approach combines lectures (with the presentation of the theory and examples of the main concepts) with classes (in which practical problems are discussed).

By the end of the semester students should be familiar with the determinants of the financial decisions of corporations, and understand how these decisions are made, based on the theory of Finance.

### **PROGRAM**

- Introduction to Corporate Finance;
- Risk, Return and Market Efficiency;
- Capital Structure;
- Dividend Policy;
- Valuation;
- Financial and Real Options.

### **BIBLIOGRAPHY**

**Recommended Bibliography:**

- Berk and DeMarzo, *Corporate Finance*, 3rd Edition, Pearson, 2013.