

FUC - Ficha de Unidade Curricular

Curricular Unit's File

Code	L5032
Name (PT)	Finanças de Empresa
Name (EN)	Corporate Finance
Regime	Semestral
Level	1.º Ciclo
Teaching language	Português, Inglês
School	Escola de Gestão (EG)
Departament	DF
Scientific area	Finanças
Responsible academic staff	Luís Alberto Ferreira de Oliveira
Pre-requisites	None
Objectives	The students, at the end of the present learning unit, must develop competences that allow them, in the conceptual and practical planes, the understanding of the main concepts related with firm/project valuation, capital structure decisions and value creation, and identify the main sources of financing
Learning outcomes	<ol style="list-style-type: none"> 1. Financial Analysis of Investment Projects, comprising capital budgeting, forecasting cash flows, and criteria such as Payback Period, NPV, IRR) and Profitability Index. 2. Robustness Analysis of a project, identifying its drivers, through a series of complementary tests. 3. Identify the main Types of Financing for a project. 4. Establish a relationship between Valuation of a project and its Capital Structure. 5. Knowledge of the main methods of valuation of Companies, such as the Discounted Free Cash Flow (FCFF, FCFE), Multiples, and Economic Value Added (EVA, MVA). 6. Understand what is meant by cash management and identify sources and uses of short term funds. Understand the financial impact of working capital decisions
Syllabus	<ol style="list-style-type: none"> I - The Capital Budgeting Decision <ol style="list-style-type: none"> 1. Cash Flow Estimation. 2. Criteria for Investment Selection. 3. Choosing among projects with Different Lives. 4. Sensitivity Analysis, Scenario Analysis, Breakeven Analysis. 5. Decision Tree Analysis. II - Long-Term Types of Financing <ol style="list-style-type: none"> 1. Equity 2. Debt III - Capital Structure <ol style="list-style-type: none"> 1. The Irrelevance of Capital Structure 2. Capital Structure with Corporate Taxes 3. Limits to the Use of Debt 4. Valuation of Real Investment Projects with Debt IV - Valuation of Companies <ol style="list-style-type: none"> 1. Discounted Cash Flows 2. Economic Value Added 3. Market Multiples V - Cash Management <ol style="list-style-type: none"> 1. Short Run financial management 2. Short Term Financial Investments 3. Sources of Short Term Financing
Assessment	Regular grading system: - 2 mid-term tests (45% each) - Individual assessment, attendance and active participation (10%) - Non existence of a minimum grade - Attendance to classes of 80%.
Teaching methodology	Each student should acquire analytical and communication skills, according with the established learning outcomes. The acquisition of these skills will use the following learning methodologies: <ol style="list-style-type: none"> 1. Expository, presentation of the theoretical reference frames 2. Participative, analysis and resolution of application exercises analysis of case studies, and reading texts 3. Active, realization of individual/group works 4. Self study and autonomous work, as is contemplated in the class planning.

Demonstration of the syllabus coherence with the curricular unit's objectives	This demonstration of consistency stems from the interconnection of the syllabus with learning goals (LG) and is explained as follows: LG1 e LG2: I. CAPITAL BUDGETING LG3: LONG-TERM FINANCING LG4 e LG5: III. CAPITAL STRUCTURE and IV. ENTERPRISE VALUATION LG6: V. CASH AND CREDIT MANAGEMENT
Demonstration of the coherence between the teaching methodologies and the learning outcomes	Learning-Teaching Methodologies(LTM);Learning Goal(LG) 1.Expositional, to the presentation of the theoretical reference frames LG1, LG3, LG4 e LG5 2.Participative, with analysis and resolution of application exercises LG1, LG2, LG3, LG4, LG5, e LG6 3.Participative, with analysis and discus-sion of case studies, and of sup-port and reading texts LG1, LG3 e LG5. 4.Active, with the realization of individual and group works LG1, LG2, LG3, LG4, LG5, e LG6 5.Self-study, related with autonomous work by the student, as is contemplated in the Class Planning. Transversal to all LG
Main Bibliography	Brealey, R., S. Myers and F. Allen, 2010, Principles of Corporate Finance, McGraw-Hill, 10th. Edition Damodaran, A., 2010, Applied Corporate Finance, John Wiley & Sons, 3rd. edition Ross, S., R. Westerfield, and J. Jaffe, 2009, Modern Financial Management, McGraw-Hill, 9th. edition B27
Complementary Bibliography	Custódio, C., A. G. Mota, 2007, Finanças da Empresa, Booknomics, 2ª Edição Mota, A.G., Barroso, C.S., Nunes, J.P. e M.A. Ferreira, 2010, Finanças Empresariais, Teoria e Prática, Sílabo, 4ª edição