

Course Unit	Corporate Finance	Field of study	Management
Bachelor in	Industrial Management and Engineering	School	School of Technology and Management
Academic Year	2023/2024	Year of study	3
Type	Semestral	Semester	1
Level	1-3	ECTS credits	6.0
Code	9104-754-3101-00-23		
Workload (hours)	162	Contact hours	T - TP 60 PL - TC - S - E - OT - O -

T - Lectures; TP - Lectures and problem-solving; PL - Problem-solving, project or laboratory; TC - Fieldwork; S - Seminar; E - Placement; OT - Tutorial; O - Other

Name(s) of lecturer(s) Ana Paula Carvalho do Monte, António José Gonçalves Fernandes

#### Learning outcomes and competences

At the end of the course unit the learner is expected to be able to:

1. Evaluate a company's economical and financial situation, through a set of reference ratios and relevant financial flows;
2. Perform short-term financial management;
3. Know the different types of long term financing available;
4. Understand the concepts of instalment, capital payment, interest;
5. Understand the concept of annuity and its use in finance;
6. Understand the central aspects in studying an investment project;
7. Distinguish and apply the various analysis criteria for investment projects in a return, risk and social perspective;
8. Construct forecasts of financial statements.

#### Prerequisites

Not applicable

#### Course contents

Basic elements of financial management; Short-term financial management; Medium and long-term financial management; Capitalization; Equivalence of capitals; Annuities; Loan repayment; Investment projects - background and concepts; Project's viability; Sensitivity analysis and risk

#### Course contents (extended version)

1. Basic elements of financial management
  - Financial statements and their limitations
  - Financial analysis - methods and techniques
2. Short-term financial management
  - Sources and uses of cash
  - Managing current assets
  - Managing short-term financing
  - Short-term financial planning
3. Medium and long-term financial management
  - Long-term financing
  - Cost of capital and capital structure
  - Financial policies
  - Financial planning
  - Dividend policy
4. Capitalization
  - General concept
  - Simple interest
  - "So called simple" interest
  - Compound interest
5. Equivalence of values
  - Equivalence of capitals – Single capital, average rate of interest and time to maturity
  - Equivalence of rates – simple and compound interest
  - Effective annual interest rate
6. Annuities
  - Concept and classification
  - Integer annuities, with constant and variable terms
  - Fraction annuities, with constant and variable terms
7. Loan repayment
  - Classical forms of periodic repayment
  - Leasing
  - Bonds
8. Concepts related to investment projects
  - The concept of investment
  - The concept of capital and its relationship with investment
  - The concept of project
  - Investment Projects in an entrepreneurial context
  - Projects in a social context
  - Project classification
  - Stages and cycle of a project
9. Project's viability
  - Market research
  - Technical research and cost forecasting
  - Variations to a project
  - Some common mistakes in investment projects
  - Break-even point
  - Valuation criteria and techniques
  - Return criteria and measures of return in a project
10. Sensitivity analysis and risk
  - The investment plan
  - The operating plan
  - The financing plan
  - Forecast balance sheets and cash statements
  - Pricing systems
  - Additional considerations on investment projects

**Recommended reading**

1. Brandão, E. (2014). Finanças. Porto: Porto Editora.
2. Moreira, J. A. C. , Soares, M. I. , Couto, J. , & Pinho, C. (2015). Decisões de Investimento: Análise Financeira de Projetos (4ª edição). Lisboa: Edições Sílabo.
3. Mota, A. G. , Nunes, J. P. , Inácio, P. L. , Barroso, C. D. , Ferreira, M. A. & Oliveira, L. (2020). Finanças Empresariais – Teoria e Prática (6ª Edição). Lisboa: Edições Sílabo.
4. Matias, R. (2018). Cálculo Financeiro: Teoria e prática (6ª Edição). Lisboa: Escolar Editora.
5. Fernandes, C. , Peguinho, C. , Vieira, E. , & Neiva, J. (2016). Análise Financeira: Teoria e Prática - Aplicação no âmbito do SNC (4ª edição). Lisboa: Edições Sílabo.

**Teaching and learning methods**

Theoretical and practical classes, with the presentation and discussion of specific situations and case-studies that allow the interchange of experiences and group decision-making, and also help consolidate the learning outcomes.

**Assessment methods**

1. Alternative 1 - (Regular, Student Worker) (Final)
  - Practical Work - 50% (Economia and financial analysis of an enterprise)
  - Practical Work - 50% (Analysis of an investment)
2. Alternative 2 - (Regular, Student Worker) (Final)
  - Final Written Exam - 100%
3. Special - (Regular, Student Worker) (Supplementary, Special)
  - Final Written Exam - 100%

**Language of instruction**

Portuguese

**Electronic validation**

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30-09-2023	03-10-2023	04-10-2023	10-10-2023