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|------------------|----------------------------------|----------------|--|
| Course Unit      | Economics and Corporate Finance  | Field of study | Management/Economics                             |
| Master in        | Management - Business Management | School         | School of Technology and Management              |
| Academic Year    | 2023/2024                        | Year of study  | 1  |
| Type             | Semestral                        | Semester       | 1  |
| Level            | 2-1                              | ECTS credits   | 6.0  |
| Code             | 5009-516-1103-00-23              |                |  |
| Workload (hours) | 162                              | Contact hours  | T - , TP 42, PL - , TC - , S 3, 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, Nuno Filipe Lopes Moutinho, Elaine Cristina Borges Scalabrini, Paulo Alexandre Fernandes Neto

### Learning outcomes and competences

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

1. Understand the functioning of real markets as influencing environment and as influenced by business;
2. Understand the emergence of corporations as an alternative to the market in the context of the economic decision and of the functioning of the economy;
3. Analyse the structure of a given market and understand the process of economic regulation;
4. Understand the strategic behaviour of corporations in markets and apply the Theory of Games to the business dynamics;
5. Understand the scope of a financial transaction, the meaning of the three variables involved and so-called golden rule of the financial calculus;
6. Know and apply key concepts of Corporate Finance. Critically evaluate the efficiency of the Corporate Finance techniques;
7. Contribute to the development of good financial management practices of different organizations;
8. Communicate effectively with non financial managers.

### Prerequisites

Before the course unit the learner is expected to be able to:

1. For economics, there are no prerequisites;
2. For Corporate Finance, have basic knowledge on the financial statements.

### Course contents

Module Economics: The Business Economics under the Economy and Industrial Organization scope. The market as integrating environment of the business. A model of sectorial analysis. The business under economic analysis. The market and the strategic behaviour. Strategic behaviour as a limitation of competition. Module Finance: The nature and aims of Corporate Finance. Present Value and Investment Decision. Capital Management. Risk management of the business. Portfolio management. Insurance Topics.

### Course contents (extended version)

1. Module Economics (22, 5h):
  - The Business Economics under the Economy and Industrial Organization. Assumptions and methodology.
  - The economy, the company and the market. Corporate theories: aims, incentives and motivations.
  - Market power and inefficiency. Efficiency and welfare. Perfect competition and monopoly.
  - The paradigm Structure-Behaviour-Performance. Market structure: concentration and volatility.
  - Strategic behaviour. Imperfect market structures. Oligopoly and Game Theory.
  - The State, the economy and the markets. Industrial policy, competition policy and regulation.
2. Module Corporate Finance (22, 5h):
  - The nature and aims of Corporate Finance. Agency and control problems of the organization.
  - Investment and Financing Decision: Evaluation and selection methods of real investment projects.
  - Financial Assets Pricing Models and performance assessment of portfolio managers
  - Cost of Capital, capital structure and dividend policy.

### Recommended reading

1. Baye, M. R. , & Prince, J. (2021). Managerial Economics & Business Strategy (10th ed. ). McGraw-Hill Education.
2. Fabozzi, F. , & Markowitz, H. (2011). The Theory and Practice of Investment Management: Asset Allocation, Valuation, Portfolio Construction, and Strategies (2nd ed. ). John Wiley & Sons.
3. Ross, S. A. , Westerfield, R. W. , Jaffe, J. , & Jordan, D. B. (2019). Corporate Finance (12th ed. ). McGraw-Hill Education.
4. Silva, E. , & Queirós, M. (2011). Gestão Financeira: Análise de Investimentos. Vida Económica.
5. Thomas, C. R. , & Maurice, S. C. (2019). Managerial Economics (13th ed. ). McGraw-Hill Education.

### Teaching and learning methods

Expositive sessions; analysis of texts in groups, participation in seminars; discussions of texts produced by students; perform work on presented subjects with tutorial guidance.

### Assessment methods

1. Alternative A - (Regular, Student Worker) (Final, Supplementary)
  - Case Studies - 50% (For Corporate Finance Module and Economic Module.)
  - Final Written Exam - 50% (Both modules, for approval to the UC is required to obtain a minimum score of 5 out of 20.)
2. Alternative B - (Regular, Student Worker) (Final, Supplementary, Special)
  - Final Written Exam - 100% (Both modules, for approval to the UC is required to obtain a minimum score of 5 out of 20.)
3. For ERASMUS students\_A - (Regular) (Final, Supplementary)
  - Final Written Exam - 20% (Both modules, for approval to the UC is required to obtain a minimum score of 5 out of 20.)
  - Case Studies - 30% (For Corporate Finance Module and Economic Module.)
  - Development Topics - 50% (For Corporate Finance Module and Economic Module.)
4. For ERASMUS students\_B - (Regular) (Supplementary, Special)
  - Final Written Exam - 100% (Both modules, for approval to the UC is required to obtain a minimum score of 5 out of 20.)

### Language of instruction

1. Portuguese
2. English

## Electronic validation

|  |                                |                       |                          |
|--|--------------------------------|-----------------------|--------------------------|
| Ana Paula Carvalho do Monte, Nuno<br>Filipe Lopes Moutinho | Joaquim Agostinho Mendes Leite | Paula Odete Fernandes | José Carlos Rufino Amaro |
| 05-10-2023   | 06-10-2023                     | 07-10-2023            | 10-10-2023               |