

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
Workload (hours)	162	Contact hours	T - , TP 42, PL - , TC - , S 3, E - , OT - , O -
Level	2-1	ECTS credits	6.0
Code	5009-516-1103-00-23		

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

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05-10-2023	06-10-2023	07-10-2023	10-10-2023