

Course Unit	Economics and Corporate Finance		Field of study	Economics/Management	
Master in	Management - Health Services Management		School	School of Technology and Management	
Academic Year	2019/2020	Year of study	1	Level	2-1
Type	Semestral	Semester	1	ECTS credits	6.0
Code	5009-517-1103-00-19				
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) Alcina Maria Almeida Rodrigues Nunes, Ana Paula Carvalho do Monte

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. (2016). Managerial Economics & Business Strategy (9th Edition). McGraw-Hill Education.
2. Thomas, C. R. , & Maurice, S. C. (2015). Managerial Economics (12th Edition). McGraw-Hill Education.
3. Silva, E. , & Queirós, M. (2011). Gestão Financeira: Análise de Investimentos. Porto: Vida Económica.
4. Ross, S. A. , Westerfield, R. W. , Jaffe, J. , & Jordan, D. B. (2019). Corporate Finance (12th Edition). NewYork: McGraw-Hill Education.
5. Fabozzi, F. , & Markowitz, H. (2011). The Theory and Practice of Investment Management: Asset Allocation, Valuation, Portfolio Construction, and Strategies (2nd Ed.). New Jersey: John Wiley & Sons.

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 - 25% (For Corporate Finance Module)
 - Final Written Exam - 75% (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)
 - Intermediate Written Test - 75% (Minimum grade of 5 values in 20, for each module to be approved.)
 - Case Studies - 15% (Appraisal report of the economic and financial viability of an investment project.)
 - Development Topics - 10% (Critical review of a paper on issues addressed in the syllabus of the UC.)
4. For ERASMUS students B - (Regular) (Supplementary, Special)
 - Final Written Exam - 100% (Minimum of 5 points in one of the modules for final approval (average grade>9. 5).)

Language of instruction

1. Portuguese
2. English

Electronic validation

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31-10-2019	11-11-2019	12-11-2019	13-11-2019