INSTITUTO POLITÉCNICO DE BRAGANÇA

Course Unit	Advanced Corporate Finance	Field of study	Finance
Master in	Accounting and Finance	School	School of Technology and Management
Academic Year	2023/2024	Year of study	1
Level	2-1	ECTS credits	6.0
Type	Semestral	Semester	1
Code	6395-515-1102-00-23		

Workload (hours)	162	Contact hours	T	TP	PL	TC	S	E	OT	O
			-	36	-	-	3	-	9	-

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 Isabel Rodrigues Fernandes, 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. Explain the contribution of the Markowitz portfolio theory for the modern finance.
2. Describe the main models of assets pricing and its limitations and to apply the principle of no arbitrage and the one-factor and multi-factor of CAPM models.
3. Distinguish the difference between technical analysis and fundamental analysis.
4. Apply techniques of active and passive portfolio management, both for fixed income assets or for equity stocks.
5. Distinguish between performance measurement and evaluation: explain what meant by market timing and performance attribution models and its use in the determination of portfolio managers performance.
6. Understand different theories on the corporate optimal capital structure and how to establish the adequate structure on an environment of capital rationalization, global and internationalized economy.
7. Argue the premises of the modern financial theory face to the new trend - the behavioural finance.

Prerequisites

Before the course unit the learner is expected to be able to:
1. Be fluent both oral and written English language.
2. Understand and apply basic concepts of real analysis and financial mathematics
3. Use computational tools and database browsers.

Course contents

Portfolio theory; the construction of efficient portfolios and the market theory. Asset pricing Models: the CAPM and APT; Efficient market hypothesis and its implications for investment policies. Portfolio Management: active versus passive management; investment strategies in the capital markets; technical analysis versus fundamental analysis. Performance measurement and performance evaluation. Capital structure in global and international markets. Behavioural finance.

Course contents (extended version)

1. PORTFOLIO THEORY:
   - the efficient portfolio - the Markowitz efficient portfolio
   - The market theory - Tobin model
2. THE ASSET PRICING MODELS: CAPM, APT and multifactorsmodels.
3. THE CAPITAL MARKETS EFFICIENCY and ITS IMPLICATION FOR INVESTMENT POLICY
4. PORTFOLIO MANAGEMENT - PORTFOLIO PERFORMANCE EVALUATION
5. REMUNERATION OF MANAGERS AND SHAREHOLDERS
6. CAPITAL STRUCTURE IN GLOBAL AND INTERNATIONAL MARKETS.
7. TOPICS ON BEHAVIOURAL FINANCE.

Recommended reading

1. Ogden, J. P. , Jen, F. C. , & O'Connor, P. F. (2003). Advanced Corporate Finance: Policies and Strategies. Prentice-hall International Edition.
2. Ross, S. A. , Westerfield, R. W. , Jaffe. J. , & Jordan, D. B. (2019). Corporate Finance (12th Edition). McGraw-Hill Education.
3. Copeland, T. , Koller, T. , & Murrin, J. (2010). Valuation, Measuring and Managing The Value of Companies (10th Edition). John Wiley & Sons.
4. Shefrin, H. (2018). Behavioral Corporate Finance (2nd Edition). McGraw-Hill Education.
5. Bodie, Z. , Kane, A. , & Marcus, A. J. (2018). Investments (11th edition). McGraw-Hill Education.

Teaching and learning methods

Theoretical-practical classes with audiovisual resources that is based on “learning by doing”, involving active participation of students by interventions, individual and group work and problem and cases solving. Real-life case studies are incorporated into lectures to provide opportunities for students to apply theory into practice in a real context and help to consolidate the learning outcomes

Assessment methods

1. Alternative 1 - (Regular, Student Worker) (Final, Supplementary)
   - Development Topics - 25% (Literature review on themes from sillabus, proposed by the teacher or by students)
   - Practical Work - 35% (Work to be developed in the classroom about asset portfolios management (minimum of 65% of presence))
   - Final Written Exam - 40% (minimum grade 7, 0 out of 20 0 values for approval by the UC)
2. Alternative 2 - (Regular, Student Worker) (Final, Supplementary, Special)
   - Final Written Exam - 100%

Language of instruction

Portuguese, with additional English support for foreign students.

Electronic validation

Ana Isabel Rodrigues Fernandes, Ana Paula Carvalho do Monte	Joaquim Agostinho Mendes Leite	José Carlos Rufino Amaro
05-10-2023	06-10-2023	10-10-2023