

Course Unit	Corporate Finance	Field of study	Accounting, Economics and Management
Bachelor in	Management Informatics	School	School of Technology and Management
Academic Year	2023/2024	Year of study	3
Type	Semestral	Semester	1
Workload (hours)	162	Contact hours	T - 60 TP - 60 PL - TC - S - E - OT - O -
		Level	1-3
		ECTS credits	6.0
		Code	9186-709-3102-00-23

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, 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

Ana Paula Carvalho do Monte, António José Gonçalves Fernandes	Joaquim Agostinho Mendes Leite	José Carlos Rufino Amaro	Nuno Adriano Baptista Ribeiro
30-09-2023	03-10-2023	07-10-2023	06-11-2023