Detailed course unit executive plan and programme						
Course unit code						
Course unit title	CORPORATE FINANCE					
GENERAL INFORMATION						
Study programme	**Financial management, undergraduate study**				Year	3.
Director of the course and assistant	Ph.D. Dean Učkar, Full Professor					
Course status[1]	**X**	Mandatory		Elective		
Credits allocated and type of lectures						
			Winter semester		Summer semester	
ECTS students workload			**6**			
Number of hours per semester			60 (2L + 2S)			

Course objectives, teaching and learning methods and learning outcomes

This course is dedicated to the profitability and risk management to which any company in modern financial environment is exposed. The focus of the course is on company's sources of financing and on relationship between revenue and risk of individual security and securities portfolio. After the course, the students will be capable to:

1. **compare different sources of company's financing**

Activities: case analysis – team work; comparative analysis – individual work through semester
Graduation methods: expose, colloquies, final exam

2. **analyze financial characteristics of different securities**

Activities: case analysis – team work; comparative analysis – individual work through semester
Graduation methods: expose, colloquies, final exam

3. **optimize the portfolio of company's financial assets (through financial calculation)**

Activities: case analysis – team work; comparative analysis – individual work through semester
Graduation methods: expose, colloquies, final exam

4. **bring a decision about justification of investment projects (through financial calculation)**

Activities: case analysis – team work; comparative analysis – individual work through semester
Graduation methods: expose, colloquies, final exam

Requirements, correspondence and correlativity

The course is an upgrade to standard economic courses during the study, and his passing (acquisition of specific and generic competences) is also a prerequisite for mastering the content (and the acquisition of new competencies) of other courses. The course is carried out in a similar form at the Stockholm School of Economics, University of Copenhagen, Department of Economics, Faculty of Economics in Ljubljana, Faculty of Economics in Sarajevo, Faculty of Economics in Zagreb and other higher education institutions.

Course content (list of topics)

The course encompass following lectures:

- Financial management decisions
- Contradictions of company's goals
- Time value of money
- Modern portfolio theory
- Capital asset pricing model (CAPM)
- Measures of system and corporate risks and methods of protections
- Valuation of securities with variable revenue
- Valuation of securities with fixed revenue
- Optimization of company's financial structure
- Horizontal and vertical structure of company's balance sheet
- Capital structure theories and dividend policy theories
- Investment valuation methods
- Characteristics of middle-term and short-term financing

[1] Mark with „X“

Modes of instruction and acquiring knowledge (mark in **bold)**				
Lectures	**Seminars and workshops**	**Exercises**	**Individual tasks**	**Multimedia and internet**
Distance learning	**Counseling**	Laboratory	**Tutorial**	Fieldwork

Student requirements

- class attendance
- project assignment
- two colloquies
- final exam (oral exam)

Assessment and evaluation of students (mark in **bold)**			
Attendance	Class participation	Seminar paper	Experimental work
Written exam	**Oral exam**	Essay	Research
Project	**Continuous assessment**	Report	Practical work

Assessment breakdown within the *European credit transfer system*

REQUIREMENTS	HOURS (estimation)	LEARNING OUTCOMES	SHARE IN ECTS	SHARE IN GRADE
Project	30	1 – 4	1	Maximum 20%
Continuous evaluation (two colloquies)	90	1 – 4	1,5 (x2) = 3	Maximum 50% (25% + 25%)
Final exam (oral exam)	60	1 – 4	2	Maximum 30%

Additional explanations:

In order to approach the final exam, it is necessary to achieve during the class a minimal positive grade percentage in every segment (obligation). During the semester students are obliged to make **project assignment** on subject assigned by teacher. There are **two colloquies** during the semester. At the end of semester students can approach to the **final exam** only if they succeeded in gathering minimally 20% of grade.

Student who justifiably didn't approach to colloquies or who didn't pass it, it is obliged to approach to the written exam before approaching final (oral) exam. The written exam is graded at the same way as colloquies.

Final grade is formed according to the results of colloquies, project assignment and final exam.

Through **project assignment** it is possible to gather 20% of grade in a following manner:

	Share in grade
Project isn't done	0%
Project formalization	1 – 5%
Subject coverage	1 – 5%
Readiness for presentation	1 – 5%
Encouragement for discussion	1 – 5%

Project won't be positively graded if mistakes are not corrected after teacher's annotations.

Colloquies are graded in following manner:

Less than 50% of correct answers	=	0% grade
51% to 60%	=	13% grade
61% to 70%	=	16% grade
71% to 80%	=	19% grade
81% to 90%	=	22% grade
91% to 100%	=	25% grade

Final exam (oral exam) is based on oral verification about the knowledge of total course matter, and will be graded in following manner:

Less than 50% of correct answers	=	0% grade
51% to 60%	=	15% grade
61% to 70%	=	19% grade
71% to 80%	=	23% grade
81% to 90%	=	27% grade
91% to 100%	=	30% grade

According to the *Code of evaluation* the final grade is obtained as follows:

A = 90 – 100%	5 (excellent)	= 89 – 100% of the grade
B = 80 – 89,9%	4 (very good)	= 76 – 88,9% of the grade
C = 70 – 79,9%	3 (good)	= 63 – 75,9% of the grade
D = 60 – 69,9%	2 (sufficient)	= 50 – 62,9% of the grade
E = 50 – 59,9%		

Bibliography

Mandatory bibliography

1. Ross, S.A.; Westerfield, R.W.; Jaffe, J.F.; Jordan, B.D.: *Corporate Finance – Core Principles & Applications*, McGraw-Hill/Irwin, New York, 2007.
2. Myers, S.C.; Brealey, R.A.: *Principles of Corporate Finance*, seventh edition, McGraw-Hill, New York, 2003.

Additional bibliography

1. Ross, S.A.; Westerfield, R.W.; Jaffe, J.: *Corporate Finance*, seventh edition, McGraw-Hill/Irwin, New York, 2005.
2. Vidučić, Lj.: *Financijski menadžment*, peto izdanje, RRiF plus, Zagreb, 2006.
3. Marković, I.: *Financiranje – Teorija i praksa financiranja trgovačkih društava*, RRiF plus, Zagreb, 2000.
4. Relić, B.: *Financijske tablice*, RIF, Zagreb
5. Van Horne, J.C.: *Financijsko upravljanje i politika (Financijski menedžment)*, deveto izdanje, MATE, Zagreb, 1997.

Additional information on the course

Academic honesty

Students are obliged to follow the principles of academic honesty regulated by University Ethical code (document is available at web page www.unipu.hr).

Discussions often lead to the confrontations of opinions. It is hard to avoid disagreements about topics on which students have strong opinion. In classroom it's necessary to set a limit of acceptable and unacceptable behavior, and some of them are:

1. Everyone have a right to be addressed with respect.
2. Everyone have a right to talk without interruption.
3. Everyone have a right to feel secure.
4. Nobody have a right to harass other students in classroom.

Communication with teacher

Communication with teacher outside the classroom it's done during the consultation. Everyday (two-way) communication it's possible through electronic mail, and occasional (one-way) communication it's done through link *S oglasne ploče* on Department web page (http://oet.unipu.hr) and on course web page. In electronic mail it's necessary to write a subject and to sign it.

Information about course

For educational purpose, PowerPoint presentations (and additional material) are put on Department web page: E-learning. Those presentations substantially follow the syllabus and can be used as on-line support for students about lectures done in classroom and as directions for further literature review. At the beginning of semester students will get the password necessary for accessing the course web page. It is important for students to regularly follow messages on web page.

Written papers

It is very important to follow directions about project assignment. Directions are available on Department web page: E-

learning. Student needs to make one project assignment and bring it to the teacher for insight before presentation. It is also important to consult a teacher about literature and other issues regarding project formalization. Correct grammar is necessity for project positive grade. Plagiarism won't be tolerated. Every paper needs to have following elements: cover page (consists of: name of the University and Faculty – on top; name of student and paper title – in the middle; JMBAG, course name, mentor's name, place and date of the paper – at the bottom), content, introduction, elaboration of subject (with chapters), conclusion and list of literature. Paper formalization it's also graded.