

Investition und Finanzierung / Introduction to Corporate Finance

Prof. Dr. Jörg Prokop

Summer Term 2011

Aim of the Course

- Understand the role corporate finance plays in today's business environment
- Learn how to make investment decisions based on established financial models
- Understand the limitations of these models
- Get to know the basic sources of long-term financing

Course Outline

No.	Date	Topic	HRWJJ Chapter
1	May 31	Overview	1,2
2	Jun 7	Discounted Cash Flow Valuation	4
3	Jun 14	Discounted Cash Flow Valuation	4
4	Jun 21	How to Value Bonds and Shares	5.1-5.4
5	Jun 28	Net Present Value and Other Investment Rules	6
6	Jul 5	Net Present Value and Other Investment Rules, Making Capital Investment Decisions	6 7
7	Jul 12	Introduction to Long-Term Financing	14

HRWJJ: Hillier / Ross / Westerfield / Jaffe / Jordan, Corporate Finance,
European Edition, McGraw-Hill, 2010

- **Main Textbook:**

Hillier / Ross / Westerfield / Jaffe / Jordan: Corporate Finance, European Edition, McGraw-Hill, 2010, ISBN 987-0-07-712115-0 (~40 £ new / ~30 £ used at amazon.co.uk)

- **Alternative Readings:**

- Berk / DeMarzo: Corporate Finance, 2nd ed., Boston (Mass.), 2010
- Brealey / Myers / Allen: Principles of Corporate Finance, Boston (Mass.), 2007

The alternative textbooks cover essentially the same topics as Hillier et al., although sometimes in a different order, and with stronger emphasis on the US perspective.

Note: You will find a master copy of the main textbook on the course reserve shelf, 2nd library floor. Further readings may be announced during the course.

Supplementary Readings

- Perridon / Steiner / Rathgeber: Finanzwirtschaft der Unternehmung, 15. Aufl., München, 2009
- Schmidt / Terberger: Grundzüge der Investitions- und Finanzierungstheorie, 4. Aufl., Wiesbaden, 1997

For looking up the German translations of the terms used during this part of the course, the following websites might be useful:

- <http://dict.leo.org>
- <http://www.dict.cc>

Rules of Engagement: Examination (Corporate Finance Part)

- Type of examination: **Written exam (Klausur)**
- The exam is closed book, closed notes. You are allowed to bring a non-programmable financial calculator. The questions will be in German and in English, your answers may be either in German, or in English. If necessary, a standard foreign language translation dictionary may be used. The dictionary must be a clean copy without markings or notes and must not contain any definitions. Any violation of these rules will result in the respective exam being graded “fail” (5.0).
- The exam may consist of multiple-choice items, short essay items, and mathematical questions. If you are able solve the respective end-of-chapter problems in Hillier et al. (2010) correctly, you will be very well prepared.

Rules of Engagement: Make-Up Exam

- Those (and only those) who receive a “fail” (5.0) on the written examination may request a make-up exam according to § 15 BPO.
- The make-up exam is a written examination (Klausur). The same rules apply as for the original exam. It usually takes place at the beginning of the semester following the respective course.

Course Organisation

- Lecture: Tue, 14-16, A14 1-101 (HS 1)
- My office hours: Mon, 14-15, A5 2-214
(appointments via Stud.IP)
- Course coordinator: Keno Borde
(Office hours: Tue, 14-15, A5 2-213)
- Tutorials

Course Organisation: Tutorials

Teaching Assistant	Time	Room
Hergen Schlüter	Mon 08.00 - 10.00	A05 0-056
Hergen Schlüter	Mon 18.00 - 20.00	W04 1-162
Josef Kuhlmann	Tue 18.00 - 20.00	A05 0-054
Franz Maybüchen	Wed 08.00 - 10.00	A07 0-030 (HS G)
Franz Maybüchen	Wed 14.00 - 16.00	A01 0-005
Klaas Rothenburg	Thu 08.00 - 10.00	A14 1-113
Robert Cosmann	Thu 16.00 - 18.00	A14 1-113
Robert Cosmann	Thu 18.00 - 20.00	A05 0-054
Klaas Rothenburg	Fri 12.00 - 14.00	W04 1-162
Josef Kuhlmann	Fri 14.00 - 16.00	A01 0-005