



ME1311 Corporate Finance 6.0 credits

Finansiering

This is a translation of the Swedish, legally binding, course syllabus.

Establishment

Course syllabus for ME1311 valid from Autumn 2016

Grading scale

A, B, C, D, E, FX, F

Education cycle

First cycle

Main field of study

Technology

Specific prerequisites

24 hp of courses given by Industrial Economics and Management, including Industrial Management, first level (ME1305) or similar.

Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

Intended learning outcomes

The aim of the course is to give a good knowledge of important theories and tools of corporate finance, focusing on the technology intensive firm.

After passing the course the participant should:

1. Be able to describe the organization of the financial market, its participants and the trading of securities and the technological solutions for the trading.
2. Be able to identify the most common financial instrument for newly started business focusing on innovation driven businesses.
3. Be able to design the financing mix for a technology driven firm.
4. Be able to analyze and decide on the mix of equity and debt in both a mature and a young technological driven firm. Also to take account of sustainability aspects and how they influence the decision.
5. Be able to describe how the capital structure could influence the value of the firm.
6. Be able to identify which sources of financing that are available for firms with a focus on technology and innovation driven firms.
7. Be able to evaluate the cash flow of different investments and the financial implications and value of them by using the most common methods (some with the help of computer) in financial economics.

Course contents

The course builds on lectures, tutorials in computer lab, a number of tutorials and a case seminar. The case is about how to handle real business events in a firm within the technology industry.

By having a case in the course we integrate the different parts, lectures, and tutorials. By working with the case students get training in solving real problems, problems that they will work with when they work in the industry after graduation.

The course will make it clear for the students how important financing is for the new firm, the mature firm and for the firm that gets sold/ listed. Entrepreneurship within the technological sector is viewed as an important part of the course since it is a research area within the school. Aspects of sustainability are an integrated part of the course.

Course literature

Berk, J. & DeMarzo, P., latest edition, Corporate Finance, Pearson Education Inc., Boston. with Myfinancelab.

Articles will be handed out during the course.

Examination

- INL1 - Assignment, 1.5 credits, grading scale: P, F
- TEN1 - Exam, 4.5 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

If the course is discontinued, students may request to be examined during the following two academic years.

Other requirements for final grade

Examination grade E-A., P on Case Assignment.

Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.