



ME2721 Corporate Finance and Markets I 7.5 credits

Finansiell ekonomi och marknader

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

Establishment

Course syllabus for ME2721 valid from Autumn 2015

Grading scale

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

Education cycle

Second cycle

Main field of study

Industrial Management

Specific prerequisites

At least 120 credits of higher education of which at least 30 credits within industrial management/mathematics/economics/statistics, and documented knowledge in English B or the equivalent

Language of instruction

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

Intended learning outcomes

On completion of the course, the student should be able to:

- Evaluate project investments in advanced technology by means of different techniques and models, and recommend the most appropriate one to the management.
- Compare and evaluate funding sources for technical entrepreneurial ventures.
- Evaluate projects with budgeting techniques using Excel or other spreadsheet programs.
- Explain why different countries have different financial systems.
- Communicate both orally and in writing, the research in the area of corporate finance.
- Describe the capital market role for the company value.
- Distinguish between various types of risks in connection with companies.
- Explain how the financial market functions for different securities, and evaluate the price.
- Calculate risk and return on investment for investment portfolios by means of matrix algebra and portfolio theory.
- Carry out and communicate the application of financial models and techniques in real cases of advanced technology.
- Describe various types of real options and explain why it is important to consider these options when one evaluates Projects.

Course contents

- Basic concepts within financial economics in connection with innovation, technical development and economical growth
- How the financial system influences industry preconditions with specific emphasis on knowledge and technology intensive companies and entrepreneurial companies
- Economic theory to solve practical financial problems
- Why and how the companies react to transformation and structural change
- Treatment of real financial problems in the form of case studies in group discussions and projects

Course literature

Jonathan Berk and Peter DeMarzo, "Corporate Finance", latest edition, Global edition. Pearson, Boston.

Additional articles of current research in the area.

Examination

- PRO1 - Project, 2.5 credits, grading scale: P, F
- TEN1 - Exam, 5.0 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.

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.