STUDENTS ARE EXPECTED TO HAVE COMPLETED
- Financial Economics
- Financial Statement Analysis

COMPETENCES AND SKILLS THAT WILL BE ACQUIRED AND LEARNING RESULTS.
Students will develop the basic skills to value companies, focusing on the main concepts and methodologies: weighted average cost of capital, capital structure, comparables methodology and DCF methodology. Additionally, they will get familiar with the basic concepts impacting valuations and transaction structuring from a corporate finance viewpoint: synergies, control premium, hybrid securities, etc.

DESCRIPTION OF CONTENTS: PROGRAMME
1) Main concepts in Finance

2) The cost of capital and capital structure
   - 2.1. The cost of capital and WACC
   - 2.2. Modigliani and Miller propositions
   - 2.3. The Trade-off theory
   - 2.4. The Pecking Order theory
   - 2.5. Main empirical studies

3) Introduction to valuation

4) Comparables methodology

5) DCF methodology

6) Valuation in a M&A context

7) Financial instruments most widely used in Corporate Finance

LEARNING ACTIVITIES AND METHODOLOGY
1) Slides and class discussions: theory and main concepts
2) Practical cases contained in the slides will be used as examples to facilitate learning
3) The two case studies which account for 50% of the final grade will be worked out in class the week after the delivery date to consolidate the key take-aways
4) As regards the two case studies, students will work in teams

ASSESSMENT SYSTEM
The final grade will be based on course work (50%) and a final exam (50%). A minimum grade of 4 out of 10 is required at the final exam to pass the course.
- Homework:
  * First case study: comparable valuation of a Spanish construction company (20%)
  * Second case study: DCF valuation of an e-commerce company (30%)
- Final exam: Theory and short exercises

% end-of-term-examination: 50
% of continuous assessment (assignments, laboratory, practicals...): 50

BASIC BIBLIOGRAPHY

ADDITIONAL BIBLIOGRAPHY