

Curso Académico: (2016 / 2017)

Fecha de revisión: 30-05-2012

Departamento asignado a la asignatura:

Coordinador/a: TRIBO GINE, JOSE ANTONIO

Tipo: Optativa Créditos ECTS : 5.0

Curso : 1 Cuatrimestre : 2

REQUISITOS (ASIGNATURAS O MATERIAS CUYO CONOCIMIENTO SE PRESUPONE)

To have followed a course of microeconomics, some basic notions of econometrics and some notions of financial economics.

OBJETIVOS

The objective is to give a comprehensive picture of the modern literature of corporate finance. The classes will combine theoretical and empirical models. Also the students will use a database to replicate the results of some important papers on the literature of corporate finance.

DESCRIPCIÓN DE CONTENIDOS: PROGRAMA**LECTURE 1: CAPITAL STRUCTURE, SOME INITIAL ISSUES**

- 1.1/ Corporate finance. Concepts.
- 1.2/ Modigliani-Miller Theorem
- 1.3/ What different theories say about capital structure?.
- 1.4/ An overview of financial structure in different countries

LECTURE 2: TAX DISTORTIONS

- 2.1 Corporate Taxes.
- 2.2 Bankruptcy costs versus corporate taxes. Miller's critique.
- 2.3 Personal taxes versus corporate taxes
- 2.4 Miller's equilibrium model.

LECTURE 3: FINANCIAL STRUCTURE AND THE CONFLICTS BETWEEN BORROWERS AND LENDERS

- 3.1/ The conflict of interest between shareholders and debtholders
- 3.2/ Asset substitution: The original example of Jensen and Meckling (1976)
- 3.3/ Debt overhang problem (Myers 1977)
- 3.4/ Short-term financing bias and Managerial aversion to liquidation.
- 3.5/ Possible solutions

LECTURE 4:**FINANCIAL STRUCTURE AND THE AGENCY PROBLEMS BETWEEN MANAGERS AND INVESTORS**

- 4.1 The separation of ownership and control
- 4.2 Model to address agency problems: (Jensen&Meckling and Stulz)
- 4.3 Contracts contingent on control rights
 - 4.3.1 Model of Hart (1995) an introduction to Aghion and Bolton
 - 4.3.2 The model of Aghion and Bolton, (1992)
- 4.4 Debt contracting
 - 4.4.1 Bolton and Scharfstein, (1996)
 - 4.4.2 Debt maturity (Diamond, 1991)
- 4.5 The importance of diversity (Hart, 2001)

LECTURE 5: THE SIGNALLING ROLE OF FINANCIAL STRUCTURE

- 5.1 Leverage as a information mechanism(Ross, 1977).
- 5.2 Signalling with shares (Leland y Pyle, 1977).
- 5.3 The model of Myers and Majluf and the pecking order theory
- 5.4 Private versus public debt. The paper of banks as financial providers
- 5.5 Empirics over the pecking order theory

ACTIVIDADES FORMATIVAS, METODOLOGÍA A UTILIZAR Y RÉGIMEN DE TUTORÍAS

2 problems sets

SISTEMA DE EVALUACIÓN

Final grade is 60% the grade of the exam and 40% problem sets

Peso porcentual del Examen Final:	60
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Peso porcentual del resto de la evaluación:	40
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