

Liverpool John Moores University

Title: ADVANCED CORPORATE FINANCE
Status: Definitive
Code: **7533AE** (107310)
Version Start Date: 01-08-2011

Owning School/Faculty: Liverpool Business School
Teaching School/Faculty: Isle of Man International Business School

Team	Leader
Alex Watt	Y

Academic Level: FHEQ7
Credit Value: 15.00
Total Delivered Hours: 38.00
Total Learning Hours: 150
Private Study: 112

Delivery Options

Course typically offered: Runs Twice - S1 & S2

Component	Contact Hours
Lecture	24.000
Tutorial	12.000

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	Exam	50.0	2.00
Essay	AS2	1 case study (includes a presentation)	50.0	

Aims

To enable students for advanced analytical management of corporate finance, extending the knowledge gained in Theory of Finance.

Learning Outcomes

After completing the module the student should be able to:

- 1 Analyse how taxation, information asymmetries and agency costs of debt influence the decisions of companies on capital structure.
- 2 Describe the ownership and control structure of firms, agency costs of equity on IPO processes and capital structure decisions.
- 3 Make capital budgeting decisions using cash flow estimates and incorporating other sources of cash, such as taxes and depreciation.
- 4 Value corporate projects using the real options approach.
- 5 Examine and discuss the key issues relating to the taxation of corporate profits and their implications for international competition in trade and investment.
- 6 Discuss principal implications of national tax regimes on international transactions.

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

EXAM	1	2	3	4	5	6
ESSAY	1	2	3	4		

Outline Syllabus

1. *Corporate Governance*
2. *Valuation of corporate investments*
3. *Optimal capital structure*
4. *Corporate bankruptcy and the valuation of corporate liabilities*
5. *Reorganisation and recapitalisation*
6. *Dividend policy*
7. *Investments under uncertainty and real options*
8. *Mergers, demergers, acquisitions and buy-outs*
9. *Taxation*

Learning Activities

The module will consist of standard lectures, seminars, tutorials and guest lecturers.

References

Course Material	Book
Author	Brealey, R A, Myers, S C and Allen, F
Publishing Year	2006
Title	Principles of Corporate Finance
Subtitle	
Edition	
Publisher	8th edition, McGraw Hill
ISBN	

Course Material	Book
Author	Copeland, T E, Weston, J F and Shestri, K
Publishing Year	2005
Title	Financial Theory and Corporate Policy
Subtitle	
Edition	
Publisher	4th edition, Addison Wesley
ISBN	

Course Material	Book
Author	Grinblatt, M and Titman, S
Publishing Year	2002
Title	Financial Markets and Corporate Strategy
Subtitle	
Edition	
Publisher	2nd edition, Irwin/McGraw Hill
ISBN	

Notes

Building on previous modules like Theory of Finance and complementing parallel modules like Risk Management, this module provides advanced understanding of corporate finance issues.

The coursework is a case study on corporate finance. It provides an opportunity for formative feedback.

The examination is the terminal summative assessment.

Guest lectures by industry representatives will complement the syllabus.