# M10 Corporate Finance & Investment Banking

<table>
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<tr>
<th>Lecturer</th>
<th>Module coordinator</th>
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<tr>
<td>Prof. Dr. Thorsten Feix</td>
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## Content

*Investment Banking, on the one side, was in the eye of the hurricane of the last Global Financial Crisis in 2008. On the other side, Corporate Finance (CF) is, besides Corporate Strategy, a mission critical capability of management teams. But in the end “Corporate Finance and Investment Banking” are just two sides of the same coin. We will teach the lectures from a holistic view and will touch upon crucial 21st century business questions like:*

- Capital structure, cost of capital and credit ratings
- Does an optimal capital structure exist and the role of leverage
- Payout (dividend) policy and share buybacks
- Initial Public Offerings (IPO) and Equity Underwriting
- Debt Markets and Underwriting
- Venture Capital, Incubation and Acceleration (link to M13)
- Valuation and Financing
- Corporate Portfolio Management, Corporate Strategy and Strategic Finance
- Financial Restructuring and Divestures

## Prerequisite for Participation

- Detailed understanding of basic Corporate Finance concepts, like net present value, perpetuities and annuities with and without growth, the valuation of bonds and stocks, portfolio theory and techniques. Therefore, the lecture on “Valuing Securities and Companies” of the first term is a prerequisite.

## Preparation / Reading


## Intendend learning outcomes

- Students will gain an extensive overview of 21st century Corporate Finance & IB issues
- They understand how to deploy modern CF and IB tools to navigate an international corporation through global capital markets
- They develop competencies to define an optimized capital structure and dividend policy.
- They know the specifics of equity and debt market instruments
- As well they have a thorough understanding how corporate strategy and corporate finance concepts interact
Module Description Master Program International Business and Finance

Teaching & Learning methods
“Corporate Finance and Investment Banking” is based upon the following learning methods
- Classroom sessions: Text book and article-based teaching and discussions
- Case Studies: Applying the learned concepts on real world problems (case studies)
- New E-Learning concepts like FT and Economist online resources, ...
- Term papers and presentations by students
- Best practice lectures by blue chip corporations, investment banks and consultancies

Practicability of course within other courses of the program
- The lectures build upon the first term lectures on “Valuing securities and companies”.
- “Corporate Finance and Investment Banking” lectures together with M7 “Corporate Strategy, Strategic Innovation and New Business Designs” and M8 “Corporate Venture Capital, Incubation and Acceleration” will provide an integrated board view as nowadays applied in truly international corporations.
- Corporate Finance & IB tools will be applied on multiple corporate finance case studies.
- The lecture should enable students to gain competencies they need if they want to kick off their career in an international corporation (especially in corporate finance)

Literature

Course organisation

<table>
<thead>
<tr>
<th>ECTS-Credits</th>
<th>SWS</th>
<th>Language</th>
<th>Kind of module</th>
<th>Term</th>
<th>Duration</th>
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<tbody>
<tr>
<td>6</td>
<td>4</td>
<td>English</td>
<td>Compulsory</td>
<td>Summer Term</td>
<td>1 term</td>
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Workload 6 ECTS-Credits x 30 hours = 180 hours:
- Attendance
  - 15 weeks * 3 hours = 45 hours
- Preparation / Homework /
  - 15 weeks * 3 hours = 45 hours
- Semester project /
  - Presentation
  - 60 hours
- Exam preparation
- Time for (group) exercises
  - 15 weeks * 2 hours = 30 h.
- Exam time
  - 60 minutes presentation
  - Term paper

Prerequisite for the exam Non

Exam requirements Non

Weighting in examination Written exam: 50 %
- Term Paper (incl. presentation): 50 %

International Business and Finance (M.A.) 2
Stand: 13.07.2020
1. Course objective.

Corporate Finance. Financial managers are asked to address the following questions: What long term investments should a firm undertake (capital budgeting decision). How should cash be raised for the required investments (financing decision). How could a firm manage its day-to-day cash and financial decisions (short term financial planning). How should a firm return cash to its shareholders (the dividend decision).

We also welcome guest lecturers to provide insight into the latest developments in the industry. Staff on the programme have published in a range of academic journals, authored books and industry publications.

An investment bank is a financial services company or corporate division that engages in advisory-based financial transactions on behalf of individuals, corporations, and governments. Traditionally associated with corporate finance, such a bank might assist in raising financial capital by underwriting or acting as the client's agent in the issuance of securities. An investment bank may also assist companies involved in the issuance of securities. For proper context to these rankings, the Masters in Finance is by no means a typical or guaranteed way to break into investment banking analyst programs: The traditional path continues to be (at least for now) attendance at a target undergraduate program, high GPA, and next-level interview and networking skills.