

*Federal State Autonomous Educational Institution of Higher Education  
"Peoples' Friendship University of Russia"*

*Faculty of Economics  
Department of Finance and Credit*

Recommended by MSSN / MO

**Program and Description  
of the Course**

**CORPORATE FINANCE**

**Master Program "International Business"  
field 38.04.01 "Economy"  
specialization "International Business"**

**Qualification (degree) graduate: Master Degree**

**2021**

## 1. Goals and objectives of discipline:

**The goal of the course:** Corporate Finance is familiarizing students with the basic theoretical paradigms of corporate security and analysis; forming a holistic view of corporate security as the basis for the development of entrepreneurial activity (business) and the most important component of the national (socio-economic) security of modern Russian society.

### **The main objectives of the study subjects are:**

1. reveal the essence, content and structure of corporate security;
2. design corporate security activities, including the organizational structure and distribution of powers;
3. analyze the main corporate conflicts in the field of entrepreneurial activity and ways to resolve them;
4. analyze the implications of management decisions in the field of corporate security;
5. plan management activities to ensure corporate security;
6. consider methods of control in corporate security;
7. analyze the main risks for corporate entities;
8. consider the features of the impact of environmental factors on corporate security;
9. reveal the content of strategies - goals, ways and forms of ensuring corporate security;
10. analyze domestic and foreign experience in the field of corporate security;

## 2. Place of discipline in the structure of the study plan:

This theoretical course is a selective course of the variety block for master students with specialization in International Business.

Table No. 1 shows the previous and subsequent disciplines aimed at the formation of the competencies of the discipline in accordance with the competency matrix of OP VO.

Table No. 1 - **Previous and subsequent disciplines aimed at the formation of competencies**

<b>Competence</b>	<b>Preceding</b>	<b>Subsequent</b>
ability to abstract thinking, analysis, synthesis (GC-1)	Microeconomics, Macroeconomics Econometrics, International trade, Technology transfer, Doing business in Russia, Corporate innovation policy, International monetary relations	Custom and tariff regulation, Research practice.
readiness to act in non-standard situations, to bear social and ethical responsibility for the decisions made (GC-2)	Microeconomics, Econometrics, International trade, Technology transfer, Doing business in Russia, Corporate innovation policy, International business management	Custom and tariff regulation, Research practice.

ability to make organizational and managerial decisions (GPC-3)	Microeconomics, Macroeconomics, Econometrics, International trade, Technology transfer, Doing business in Russia, Corporate innovation policy, International business management,	Custom and tariff regulation, Research practice.
ability to independently prepare tasks and develop design solutions, taking into account the factor of uncertainty, to develop relevant methodological and regulatory documents, as well as proposals and measures for the implementation of developed projects and programs (PC-6)	Microeconomics, Macroeconomics, Econometrics, International trade, Technology transfer, Doing business in Russia, Corporate innovation policy, International monetary relations, International business management	Research practice.
ability to develop options for management decisions and justify their choice based on criteria of social and economic efficiency (PC-11)	Microeconomics, Macroeconomics, Econometrics, International trade, Technology transfer, Doing business in Russia, Corporate innovation policy, International monetary relations, International business management	Custom and tariff regulation, Research practice.

### 3. Requirements for the results of the studying of disciplines are:

General professional competencies that a student should acquire:

- ability to make organizational and managerial decisions (GPC-3).
- Professional competencies that a student should have:
- ability to independently prepare tasks and develop design solutions, taking into account the factor of uncertainty, to develop relevant methodological and regulatory documents, as well as proposals and measures for the implementation of developed projects and programs (PC-6)
- ability to develop options for management decisions and justify their choice based on criteria of social and economic efficiency (PC-11)

As a result of studying the Corporate Finance course, Master students should:

**know:**

- the essence and content of the concept of "corporate finance";
- conceptual framework for the protection of the socio-economic interests of entrepreneurs;
- organizational and legal framework for ensuring corporate finance management
- the content of the main legislative acts of the Russian Federation in the field of economic finance and business

**be able to:**

- resolve major business conflicts;
- analyze the trends and prospects for the development of business processes at the local, regional and state levels, taking into account factors of dynamics and uncertainty;
- analyze the problems of corporate finance;

- analyze the effect of internal and external factors on corporate finance using various sources of information;
- develop a strategy of behavior, plan actions to ensure corporate finance;
- make corporate finance decisions;
- evaluate both the activities of the business entity and individual projects in terms of aspects of corporate finance;
- evaluate the results of management decisions in the field of corporate finance, including from the point of view of economic efficiency.

**get:**

- the methods of making strategic, tactical and operational decisions in the management of operating (production) activities of organizations

**4. The workload of discipline and types of training activities**

Credit hours for the discipline are **2 credit units (one semester)**

Type of schoolwork	Total hours	Semester			
		1	2	3	4
	36		36		
Including:	-		-	-	-
Lectures	18		18		
Seminars (C)	18		18		
Self-study (total)	36		36		
Including:				-	-
Course project (individual project)					
Cash and graphics					
Review	-	-	-		
<i>Other types of independent work:</i>					
Preparation of 2 creative projects					
Independent study of recommended literature	20		20		
Preparation for the final certification	10		10		
Type of interim assessment (test, exam)	6		6		
The overall credit hours					
	72		72		

**Section 1 Financial analysis.**

**Topic 1. Fundamental concepts in financial analysis**

The cash flows and earnings. Capital employed and invested capital. Walking to and from earnings to cash flow. Getting to grips with consolidated accounts. How to cope with the most complex points in financial accounts

**Topic 2. Financial analysis and forecasting.**

Margin analysis: structure. Margin analysis: risks. Working capital and capital expenders, financing. Return on capital employed and return on equity.

**Topic 3. Investment decision rules**

The financial market. The time value of money and Net Present Value (NPV). The internal rate of return (IRR). Incremental cash flows and other investment criteria. Measuring value creation. Risk and investment analysis.

**Topic 4. The risk of securities and the cost of capital.**

Risk and return. The cost of equity. From the cost of equity to the cost of capital. The term structure of interest rates.

**Section 2: Corporate financial policies**

**Topic 5. Financial securities**

Enterprise value and financial securities. Debt securities. Managing net debt. Shares, options, hybrid securities. Selling securities.

**Topic 6. Capital structure policies.**

Value and corporate finance. Capital structure and the theory of perfect capital market. The trade off model. Debt equity and options theory.

**Topic 7. Equity capital and dividend policy**

Internal financing: reinvesting cash flow. returning cash to shareholders, dividend policies. Capital increases.

**Topic 8. Valuation and financial engineering.**

Valuation and choice of corporate structure. Taking control of the company. Mergers and demergers. Leveraged buyouts (LBOs)

**Topic 9. Managing net debt and financial risks**

Managing cash flows. Asset based financing. Managing financial risks.

**5.2 Thematic sections and interdisciplinary connection with other disciplines.**

Discipline is taught in the third semester of the master's program and does not require follow-up training courses.

**5.3. Workload composition**

<b>TOPIC</b>	<b>lectures (h)</b>	<b>seminars (h)</b>
Topic 1. Fundamental concepts in financial analysis	2	2
Topic 2. Financial analysis and forecasting	2	2
Topic 3. Investment decision rules	2	2
Topic 4. The risk of securities and the cost of capital.	2	2
Topic 5. Financial securities	2	2
Topic 6. Capital structure policies	2	3
Topic 7. Equity capital and dividend policy	2	2
Topic 8. Valuation and financial engineering.	2	2
Topic 9. Managing net debt and financial risks	2	3
<b>Total</b>	<b>36</b>	<b>18</b>

## **6. Laboratory workshop. Not provided.**

## **7. Practical exercises (seminars)**

<b>TOPIC</b>	<b>seminars (h)</b>
Topic 1. Fundamental concepts in financial analysis	2
Topic 2. Financial analysis and forecasting	2
Topic 3. Investment decision rules	2
Topic 4. The risk of securities and the cost of capital	2
Topic 5. Financial securities	2
Topic 6. Capital structure policies	2
Topic 7. Equity capital and dividend policy	2
Topic 8. Valuation and financial engineering	2
Topic 9. Managing net debt and financial risks	2

## **8. Sample topics for discussion (research)**

1. What is corporate finance?
2. The history of the development of corporate finance in the world?
3. The history of the development of corporate finance in Russia?
4. Mergers and acquisitions - for and against?
5. Hostile mergers and acquisitions - for and against?

6. Raiders - business orderlies?
7. What is the breeding ground for raiding?
8. Corporate security and corruption?
9. The consequences of raiding in the world?
10. Consequences of raiding in Russia?
11. Should the state fight raiding and how?
12. Basic methods of hostile takeovers?
13. Do I need to build anti- hostile takeovers mechanisms?
14. Anti- hostile takeovers mechanisms and their costs?
15. The effect of anti-seizing mechanisms on the wealth of shareholders?

### **9. Methodical and informational support**

#### **a) main literature:**

1. Berg DiMarzo. Corporate finance. Pearson 2013

URL: <https://www.pdfdrive.com/introduction-to-corporate-finance-e19401672.html>

#### **b) additional literature:**

1. Ivo Welch. Corporate finance Introduction. Manual. Prentice hall. 2009

URL: <https://www.pdfdrive.com/introduction-to-corporate-finance-e19401672.html>

2. Richard Bradley. Fundamentals of Corporate finance. McGraw-Hill. 2001

URL: <https://www.pdfdrive.com/richard-brealey-fundamentals-corporate-finance-e6335999.html>

3. Justine Pettit Strategic Corporate Finance. Application in valuation and capital. John Wiley and Sons 2007 URL: [https://www.pdfdrive.com/corporate-finance-strategic-corporate-finance\\_applications-in-valuation-and-capital-e16278343.htm](https://www.pdfdrive.com/corporate-finance-strategic-corporate-finance_applications-in-valuation-and-capital-e16278343.htm)

OC MS Windows (XP), MS Office 2010, Mentor

#### **Logistical support discipline:**

- classrooms (rooms) at the workplace for lectures (depends on the number of students) and for seminars (the number of students in separate groups);
- board;
- desktop PC with Microsoft Office 2007;
- multimedia projector;
- portable equipment - a laptop and a projector;
- screen (stationary or portable floor).

<b>№ aud.</b>	<b>Name-equipped classrooms</b>	<b>List of main equipment</b>
17	Classroom	Multimedia Projector - 2 pcs., Sound Tribune - 1 pc., Screen - 2 pcs.

19	Computer Class	Computers Pentium 4-1700/256MB/cd/audio - 21 pcs., Multimedia projector PanasonicPT-LC75 - 1 pc., The screen is 1 unit.
103	Classroom	Multimedia Projector - 1 pc.,
105	Classroom	Multimedia Projector - 1 pc.,
1	Classroom	Multimedia Projector - 1 pc.,
2	Classroom	Multimedia Projector - 1 pc.,
Conference hall	Classroom	Multimedia Projector - 1 pc., Sound equipment
Hall Library	4 Classroom	Multimedia Projector - 1 pc.,

There are 770 library workstations in the reading rooms of PFUR library. Reading and lending rooms of the Academic and Research Library are located in 5 university buildings. Some rooms are used for group work, 3 rooms are equipped with multimedia devices. Internet access is provided in the library via Wi-Fi.

There are more than 17000 Library readers. Library fund contains 1.800.000 books and is increased monthly. The funds are universal, they are formed by the discipline principle. It is increased due to departments' orders. The library staff counts 43, 36 of them have university degrees, 90% are computer competent.

Electronic catalogue has been compiled since 1990. Since 2010 PFUR e-library system has provided readers with information and full-text document access.

Book lending is done automatically. The free access room is equipped with self-service lending station applying RFIT-technology.

All PFUR computers provide access to PFUR e-library system and electronic sources.

The platform for information, service and resource access is available at the library website <http://lib.rudn.ru/>.

## 11. Guidelines on the organization of the discipline:

Types of classes and teaching methods

The implementation of the course includes interactive lectures, practical sessions (workshops) including multimedia equipment and an interactive tutorial, the independent creative works and their subsequent presentation, testing, group discussions on topics of the course.

Lectures	The classroom form of instruction in which the main provisions of the academic discipline are given. The ultimate goal of the lectures is the achievement by students of the degree of mastering the theoretical knowledge they need for further professional activity. The form of the lecture can be both traditional and interactive.
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Seminars	A classroom dialogue form of classes on one of the course topics, involving the active participation of students (all or some of them), aimed at developing their skills of independent theoretical analysis of the problems addressed in the course, including by studying texts of primary sources, accumulating practical experience in solving typical professional tasks.
Group academic counseling	The main task of group academic counseling is a detailed or in-depth examination of some theoretical course topics, the development of which, as a rule, makes it difficult for some students. At the request of students, it is possible to introduce additional ones for discussion: topics of particular interest to them that do not receive sufficient coverage in the lecture course. This form of study is mandatory for the teacher, the student has the right not to take part in such a consultation if he has successfully mastered this section of the course on his own or the additional topic being discussed does not interest him.
Individual consultations	An out-of-class form of a teacher's work with an individual student, implying discussion of those sections of the discipline that were not clear to the student, or caused by the student's desire to work on writing a course or final qualifying work for the course being studied.
Master class	Lecture and / or group counseling by a guest of well-known and highly qualified foreign or domestic scholar (or practice in this field). The task is to show the real side of research and applied work in science and demonstrate to students the standards of professional thinking in their chosen specialty.
Independent work	Reading the recommended literature (mandatory and optional), preparing for oral presentations, preparing for written examinations (midterm, final tests), writing essays, essays, term papers and final qualifying works; as well as other types of work required to complete the curriculum

### **Terms and criteria for grading**

From students are required to attend lectures and seminars, mandatory participation in the certification tests, the performance of the teacher's assignments. Especially appreciated is the active work at the seminar (the ability to lead a discussion, a creative approach to the analysis of materials, the ability to clearly and concisely formulate their thoughts), as well as the quality of the preparation of quizzes (tests) and reports.

Evaluation of the discipline being taught is based on the results of the study, demonstrated by students throughout the entire period of study (usually a semester). The final grade is determined by the amount of points received by students for various types of work during the entire period of study provided by the curriculum.

All types of educational work are carried out exactly in the terms stipulated by the training program. If a student, without good reason, did not complete any of the study tasks (he missed the

test, passed the abstract later, etc.), then points are not awarded for this type of study, and the works prepared after the due date are not evaluated.

For various types of work during the entire period of study a student can get the maximum amount - 100 points, of which:

- 25 points - final evaluation
- 15 points - mid-term evaluation
- 18 - classroom work
- 33 - course project (referat)
- 9 - attendance of classes

The score decreases in the following cases:

- the answer is given not on the topic of the question; the student is to answer the teacher's leading questions;
- failure to understand the essence of the problem posed in the question and possible ways to solve it;

**Score-rating system of knowledge assessment, rating scale**

BRS points	Traditional RF ratings	ECTS
95 - 100	Excellent - 5	A (5+)
86 - 94		B (5)
69 - 85	Good - 4	C (4)
61 - 68	Satisfactory - 3	D (3+)
51 - 60		E (3)
31 - 50	Unsatisfactory - 2	FX (2+)
0 - 30		F (2)
51 - 100	Test	Passed

**Description of ECTS ratings:**

A ("Excellent") - the theoretical content of the course has been mastered completely, without gaps, the necessary practical skills of working with the mastered material have been formed, all the training tasks provided by the training program have been completed, the quality of their implementation is estimated by the number of points close to the maximum.

B ("Very Good") - the theoretical content of the course has been fully mastered, without gaps, the necessary practical skills of working with the mastered material are basically formed, all the training tasks provided by the training program are completed, the quality of performance of most of them is assessed by the number of points close to the maximum.

C ("Good") - the theoretical content of the course has been fully mastered, without gaps, some practical skills of working with mastered material are not sufficiently developed, all the training tasks provided for by the training program are completed, the quality of performance of none of them is assessed by the minimum number of 5 dollars, some types of tasks are completed with errors.

D ("Satisfactory") - the theoretical content of the course has been partially mastered, but the gaps are not essential, the necessary practical skills of care with the material mastered are mostly formed, most of the training tasks provided by the training program are completed, some of the completed tasks may contain mistakes.

E ("Mediocre") - the theoretical content of the course has been partially mastered, some practical skills have not been formed, many of the training tasks provided by the training program

have not been completed, or the quality of performance of some of them is assessed by the number of points close to the minimum.

FX ("Conditionally unsatisfactory") - the theoretical content of the course is partially mastered, the necessary practical skills are not formed, most of the training tasks provided by the training program are not fulfilled or the quality of their implementation is assessed by the number of points close to the minimum; with additional independent work on the course material it is possible to improve the quality of the performance of training tasks

F ("Certainly unsatisfactory") - the theoretical content of the course is not mastered, the necessary practical skills are not formed, all completed training tasks contain blunders, additional independent work on the course material will not lead to any significant improvement in the quality of the training tasks.

## **12. The fund of assessment tools for the midterm evaluation of students in the discipline**

(answers are written, open, reflecting the main essence of the question on 2-5 sentences)

1. Operating and investment cycles
2. Financial resources
3. Additions to wealth and deductions to wealth
4. Different income statement formats
5. The balance sheet: definitions and concepts
6. The capital-employed analysis of the balance sheet
7. A solvency-and-liquidity analysis of the balance sheet
8. A detailed example of a capital-employed balance sheet
9. Analysis of earnings from a cash flow perspective
10. Cash flow statement
11. Consolidation methods
12. Consolidation-related issues
13. Technical aspects of consolidation

The fund of assessment tools for the discipline are presented in the appropriate teaching materials.

The program is compiled in accordance with the requirements of OS VO RUDNF

### **Developers:**

Associate Professor of the Department  
National Economy \_\_\_\_\_ A.V. Guirinskiy

Associate Professor of the Department  
Program Supervisor \_\_\_\_\_ I.V. Karzanova

Head of the Department of  
Finance and Credit, Professor \_\_\_\_\_ A.J. Bystriakov

The work program of the discipline is recommended for approval by a representative of the employing organization:

LLC Astakhov, Khoroshev, Zainullin and Partners

General Director

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S.B. Zainullin