

Course Description

Finance 2 : Financial policy

Programme : Grande Ecole

Academic Year : 2008/2009

Semester : 1

Type of Course : Core course

Number of credits : 4

Course Manager : Gros Lambert, Bertrand

Lecturer : GROSLAMBERT Bertrand

Language of instruction : English

Field of Study : Finance

Axis : Global Management

1. Learning Outcomes

This course deals with financial decisions made by corporations. We examine what these decisions are and why they are important. After acquiring the basic principles that enables the financial manager to evaluate different investment possibilities, we tackle the two broad financial questions faced by corporations:

- What investments should the firm make?
- How should it finance these investments?

2. Course Contents

Introduction

- Financial Management and the Business Environment
- Time Value of Money

Investment Decisions

- Investment Appraisal Methods
- Net Working Capital and Cash Flow Management
- Financial Forecasting and Budgeting

Financing Decisions

- The Value of Bonds and Common Stocks
- Internal Funds, Equity Financing and Dividend Policy
- Capital Structure and the Cost of Financing
- Overall Recap

3. Prerequisites

No prerequisite

4. Readings

<blockquote dir="ltr" style="MARGIN-RIGHT: 0px">

- Mandatory textbook: Brealey, Myers & Allen, Corporate Finance, McGraw-Hill

9th ed. Previous editions can be used as well (check the corresponding chapters with the 9th edition)

- A selection of chapters are to be read every week </blockquote>

5. Assessment Methods

- 2 Quizzes (15% each): 30%

- <div>Mid-term Exam :30%</div>

- <div>Final Exam: 40%</div>

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6. Teaching Methods

3 hours per week over 10 weeks</p>

7. More Information

<div>Contacts:</div>

Course Leaders: </p>

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