

MBA – Focusing on Entrepreneurship, Innovation & Technology Management

Syllabus

Corporate Finance

Mini 5 - 2023

Classroom - 215

7 Lectures: July 14 – September 01, 2023

Teaching Staff:

Instructor:

Mahmoud Qadan, Ph.D. & C.P.A;
Email: Qmahmood@technion.ac.il;
Tel: 04-8249584

Office Hours:

Friday 08:00-09 (or by appointment)

Credits: 2 points

Lecture hours: Fridays in general.

Course Goals and Description

The main objective of this course is to introduce students to the essentials of corporate finance. The topics covered in the course mainly include:

- Valuation: Developing and understanding of the tools used to value real investment projects.
- Financing: understanding basic concepts involved in how firms should raise funds for real investments.
- Interaction between valuation and financing: assessing how financing decisions affect firm value.

Learning Outcomes

The main goal of this course is introducing students to the world of modern finance related to the financial operations of corporations. Upon the completion of this course, participants students will be able to:

1. Understand concepts of time value of money, basic asset valuation, risk and return paradigm, capital budgeting and financing decisions. These concepts, in turn, help to value bonds and shares and other assets.
2. Employ various capital budgeting techniques to finance investment projects.
3. Determine the risk and return of stocks and bonds.
4. Explain and apply the theory of asset pricing.
5. be receptive to new ideas and innovation.
6. work collaboratively with other students coming from similar and different disciplines.

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Course Content/Topics / Schedule

Lesson 1.

Introduction to corporate finance, Basic principles: Present value, future value, effective interest rates, Loan Types. (RWJ-1, 2, 4)

Lesson 2.

Net Present Value, Internal Return Ratio, Mutually exclusive Projects, Mutually exclusive Projects with different lives, Alternative investment rules. (RWJ-4, 6)

Lesson 3.

Cash flow analysis: sunk costs and opportunity costs, incidental effects, cash flows versus profits, investments and depreciation, working capital. (RWJ-7)

Lesson 4.

How to evaluate bonds? (RWJ-5)

Lesson 5.

Valuating stocks, divided discount model, Net present value of growth opportunities. (RWJ-5)

Lesson 6.

Capital structure: Modigliani and Miller with and without corporate taxes, financial distress, the tradeoff theory and optimal capital structure. (RWJ-15, 16)

Lesson 7.

Valuation and Capital Budgeting for the levered firm, WACC, APV, Merger and Acquisitions. (RWJ-10, 17, 30)

Assignments and Grading Procedures

Problem-sets: **20%**.

Final Exam: **80%**.

Exam dates

Moed A – Friday; Sep. 01, 2023

Moed B – Tuesday; Sep. 12, 2023.

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Course Requirements & Course Policies

Problem-sets: **20%**. The problem sets are intended to help each understand the course material and prepare you for the exam. There will be 6-7 problem-sets to submit individually. Skipping one problem-set is allowed, though not encouraged. Assignments will be posted at the course website and should be submitted only by Moodle. Late homework will not be accepted.

Accommodation for Students with special needs

Information regarding the submission of requests to receive adjustments to diagnoses based on a physical, mental, sensory disability, or autism according to the accessibility regulations in higher education appears in the following link. [Link to adjustments](#)

Textbook(s) and/or other materials

Ross, S. Westfield, R., and Jaffe, J. (2022). Corporate Finance. 13th edition, Irwin McGraw-Hill.

Academic Integrity

The Technion expects you to focus on your study with intention and integrity. The cornerstone of studies in all academic fields is fairness and integrity. The Technion expects you to treat everything you do here fairly - whether it is solving a mathematical problem, writing a research paper or article, or answering an exam. Below is a link to the disciplinary regulations.

[link](#)