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Reforming Master Programmes in Finance in Armenia and Moldova / REFIN

An Erasmus+ Capacity Building Project (2017-2020)

THE COURSE CORPORATE FINANCE AND MANAGEMENT OVERVIEW

University Gavar State University

Teacher Hakob Ghuloyan



BASIC INFORMATION



| | |
|-------------------------------|---|
| TITLE OF THE COURSE | Corporate finance and management |
| TEACHERS | Hakob Ghuloyan |
| YEAR OF THE COURSE | Since September 2019 will be taught in Year 1 |
| SEMESTER OF THE COURSE | 2-nd semester |
| LANGUAGE | Armenian |
| NUMBER OF ECTS CREDITS | 3 |

LEARNING OUTCOMES



- to understand on the principles of corporate governance in a modern company,
- to developed an effective strategy corporations
- to design the organizational structure of a Corporation with taking into account trends in capital markets;
- to analyse of factors and conditions of internal and external changes corporate environments.
- to organize research on the evaluation of modern Corporation and efficient use of financialtools';
- to assess the nature of financial risks for corporations various industries and financial institutions.
- to analyse financial statements
- to prepare financial forecast of the Corporation's development;
- to assess risks, profitability and efficiency of financial decisions, including strategic decisions on long-term financing
- to prepare and adoption of short-term and long-term financial decisions;
- to prepare and implementation of dividend police

SYLLABUS OF THE COURSE



| WEEK | TOPIC |
|------|---|
| 1 | Introduction to corporate Finance |
| 2 | Introduction to corporate Finance |
| 3 | International corporate governance systems |
| 4 | Corporate asset management |
| 5 | Corporate asset management |
| 6 | Management of sources of financing of assets |
| 7 | Management of sources of financing of assets |
| 8 | Company value management |
| 9 | Fundamentals of Equities Valuation.Dividend policy of the corporation |
| 10 | Fundamentals of Equities Valuation.Dividend policy of the corporation |
| 11 | Financial statements and financial forecast |
| 12 | Financial statements and financial forecast |
| 13 | Financial justification of strategic decisions in Armenian corporations |
| 14 | Financial justification of strategic decisions in Armenian corporations |

WEEK 1 Introduction to corporate Finance



- The advantages of corporate firm over the sole traders and partnerships.
- The role of capital market in explaining corporate performance: main assumptions.

WEEK 2 Introduction to corporate Finance



- The mission of Chief Financial Officer of the Corporation (CFO).
- The role of corporate finance in building financial model of the firm.
- Corporate Finance and proper financial analysis of any firm in market economy

WEEK 3 International corporate governance systems



- The main models of corporate governance in foreign companies.
- German (continental) model. Insider model.
- American system of corporate governance.
- Japanese corporate governance system

WEEK 4

Corporate asset management



- Analysis of the composition, structure and dynamics of non-current assets.
- Composition and structure of intangible assets and investments in tangible assets.
- Management decisions in the field of non-current assets.
- Analysis of the composition, structure and dynamics of current assets Operational, production and financial cycles

WEEK 5

Corporate asset management



- Assessment of the effectiveness of inventory management.
- Monetary assets, analysis of their composition, structure and dynamics.
Assessment of the need for monetary assets.
- Cash management practices

WEEK 6 Management of sources of financing of assets



- Capital of the enterprise, its types.
- Equity and debt capital.
- Management of profit distribution

WEEK 7 Management of sources of financing of assets



- Operating, financial and total leverage and risks.
- Corporate risk management system

WEEK 8

Company value management



- Corporate Finance in the value paradigm.
- Criteria of efficiency in the management of the value of the business.
- Methods of increasing the value of the company

WEEK 9 Fundamentals of Equities Valuation. Dividend policy of the corporation



- The valuation of stocks.
- Classification, determination of the price and profitability of stocks.
- Bases of formation of the dividend policy

WEEK 10 Fundamentals of Equities

Valuation. Dividend policy of the corporation



- Influence of dividend policy on stock price
- Types of preferred stock by voting rights, dividend rates and dividend payments

WEEK 11 Financial statements and financial forecast



- Financial statements and analysis of financial statements.
- The system of indicators of profitability

WEEK 12 Financial statements and financial forecast



- Types of financial forecasts.
- Forecasting financial results.

WEEK 13 Financial justification of strategic decisions in Armenian corporations



- General state of corporate governance in the Republic of Armenia.
- Information openness of companies in Armenia.
- Role of the Board of Directors

WEEK 14 Financial justification of strategic decisions in Armenian corporations



- The role of the state in corporate governance.
- Corporate governance in the context of "globalization»
- Problems of corporate governance and search for their solutions, as well as further development prospects

TEACHING METHODOLOGY



- Interactive lectures and discussions are the main teaching and pedagogical approaches for the Corporate finance and management course.
- individual homework

LABOUR MARKET RELEVANCE



- Ability to work in an international context
- Capacity for applying knowledge in practice
- Concern for quality
- Research skills
- Ability to work autonomously
- knowledge in practise

ASSESSMENT AND GRADING



- Max 10 points for attendance,
- Max 50 points for current activity in class, and
- Max 40 points for final exam (40% of which or minimum 16 points required to pass).

REFERENCES



- Brealey R, Myers S., Allen F. Principles of Corporate Finance. 11th Edition. — McGraw-Hill/Irwin, 2014
- Ross S., R.Westerfield, J.Jaffe. Corporate Finance. Fifth Edition. IRWIN-McGraw-Hill.
- Berk J, Demarzo P, Corporate Finance, . 3th Edition 2013
- Damodaran A. Applied Corporate Finance. Wiley&Sons. 1999
- Reilly K.F., Brown K.C. Investment Analysis and Portfolio Management. 6th Edition. The Dryden Press.

COURSE ASSIGNMENT 1



Homework:

INDICATIVE TOPICS ESSAY:

1. Corporate governance and corporate Finance: relationships, contradictions.
2. Financial capabilities of legal forms of business and financial activities of the Corporation.
3. Evaluation of money and its change in time.
4. Working capital management of the Corporation.
5. Management of easily realizable securities.
6. Analysis of the financial statements of the Corporation.
7. Justification and construction of the Corporation's forecast reporting.

COURSE ASSIGNMENT 1



8. Criteria for evaluating the effectiveness of capital investments
9. Risk assessment of efficiency of capital investments.
10. The cost of elements of the capital of the Corporation.
11. Capital structure and dividend policy.
12. Long-term and short-term sources of financing of the Corporation.
13. How corporations raise funds: issuing bonds against issuing shares.
14. Entering the stock market: initial public offering of securities – preparation stages.
15. Financial policy of the Corporation and its elements.
16. Company value management and its relationship with corporate Finance.
17. The relationship between corporate Finance and financial management.

COURSE ASSIGNMENT 2/OR CASE STUDY DESCRIPTION



Group work: INDICATIVE Themes

- The analysis of operational effectiveness: factors turnover total assets
- Movement of working capital. Effect of profit and depreciation on cash flow
- External cash flows
- Analysis of the financial condition of the company: liquidity indicators
- Working capital cycle
- Study of the relationship "liquidity-profitability-risk"



THANK FOR ATTENTION

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