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Reforming Master Programmes in Finance in Armenia and Moldova / REFINE

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The course Corporate Finance overview

Comrat State University

Teacher: Maria Carabet, PhD, Associate Professor



BASIC INFORMATION



TITLE OF THE COURSE	Corporate Finance
TEACHERS	Carabet Maria
YEAR OF THE COURSE	2
SEMESTER OF THE COURSE	3
LANGUAGE	Russian, English
NUMBER OF ECTS CREDITS	5

LEARNING OUTCOMES



- Understand the need to organize the financial activities of the enterprise;
- Know the general aspects and concepts of enterprise finance theory;
- Know the functions, principles of the financial mechanism of the enterprise;
- Know the main areas of financial management: profit, financial risks, fixed and working capital, sources of financing of the enterprise, etc.;
- Apply the passed theoretical material by solving the corresponding problems;
- Be able to make the most effective financial decisions.
- Be able to competently conduct the financial policy of the enterprise;
- Be able to diagnose the current financial condition of the enterprise;
- Develop a credit policy at a particular enterprise;
- Develop an investment policy at a particular enterprise;
- Develop specific measures and proposals to improve the financial condition of the enterprise;
- To make a tactical and strategic plan of financial activity of the enterprise.

SYLLABUS OF THE COURSE



The title of topic	Form of study				Total	Form of control
	Classroom			self-study		
	Total	lection	seminars/ practical			
1. Essence and functions of corporate Finance.	4	2	2	10	14	1,2
2. Financial mechanism and financial structure of the enterprise.	4	2	2	10	14	1,4
3. Financial policy of the enterprise.	4	2	2	10	14	1,4,2
4. Investment policy of the enterprise.	4	2	2	10	14	1,3,4
5. Financing of fixed assets of the enterprise.	4	2	2	10	14	1,4
6. Financing of current assets of the enterprise.	4	2	2	10	14	1,4
7. Income, expenses, profit of the enterprise.	4	2	2	10	14	1,4
8. Organization of cash turnover of the enterprise.	4	2	2	10	14	1,4
9. Forecasting of financial activity of the enterprise.	4	2	2	10	14	1,3,4
10. Preparation of a business plan at the enterprise.	4	2	2	20	24	3,4
Total	40	20	20	110	150	

Form of control:

- 1-reports and essays;
- 2-abstracts;
- 3-Colloquium;
- 4-survey and testing.

Topic 1. Corporate Finance: essence and content



1. The essence and role of Corporate Finance.
2. Corporate Finance functions.
3. Basic principles of Corporate Finance.
4. Corporate Finance in the company's management system.
5. Information support for Corporate Finance management.

Topic 2. Financial mechanism and financial structure of the enterprise



1. Financial mechanism of the enterprise and its structure.
2. The concept of the financial structure of the enterprise. Structure of financial capital of the enterprise.
3. The price of capital.
4. The choice of financial structure depending on the cost of capital.

Topic 3. Financial policy of the enterprise

1. Financial policy of the enterprise and its characteristics.
2. Relationship of the enterprise with the budget and extra-budgetary funds.
3. Credit policy of the enterprise and its characteristics.
4. Dividend policy at the enterprise, characteristics and its determining factors.
5. The coefficients characterizing the dividend policy of the enterprise.
6. Financial and credit risks of enterprises.

Topic 4. Investment policy of the enterprise



- 1.Role and classification of investments. The role of the state in investment policy.
- 2.Definition of value and principles how to evaluate investment projects.
- 3.Methods of evaluation of investment projects – NPV, IRR, Payback period, Profitability index.
- 4.Investment risk – basic principles in measuring financial and non-financial risk.

Topic 5. Financing of fixed assets of the enterprise



1. General characteristics of fixed assets. Industry-specific features.
2. Depreciation of fixed assets. Depreciation methods.
3. Indicators of efficiency of use of fixed assets of the enterprise.
4. Sources of financing of fixed assets. The main method of investing in fixed assets.
5. Intangible assets as a source of financial resources.

Topic 6. Financing of current assets of the enterprise



1. Content, structure and classification of current assets. Features in various sectors of the economy.
2. Determine the need for current assets. Methods of determination.
3. Sources of financing of current assets.
4. Indicators of efficiency of working capital use.

Topic 7. Income, expenses, profit of the enterprise



1. Content, composition and structure of income and costs of enterprises.
2. The budget of income and expenses of the enterprise.
3. Financial results of the enterprise. Impact of inflation on financial results.
4. Formation and distribution of profit of the enterprise.
Tax liabilities of the enterprise.
5. Profit planning.
6. Maximizing profit.

Topic 8. Organization of cash turnover of the enterprise



1. Essence and role, bases of the organization of monetary circulation at the enterprise.
2. Cash flow budget at the enterprise.
3. Forecasting and management of money receipts and payments.
4. Forms of payments at the enterprise.

Topic 9. Forecasting of financial activity of enterprise



- 1.The content of financial planning and its methods.
- 2.Types of budgets, their interrelation.
- 3.Sales budget, production budget.
- 4.Forecasting of financial results.

Topic 10. Preparation of a business plan at enterprise



- 1.The purpose and objectives of the development of a business plan.
- 2.Resume content in the business plan.
- 3.The content of the marketing sections of the business plan.
- 4.Production, organizational and legal sections of the business plan.
- 5.Financial section of the business plan.

TEACHING METHODOLOGY 1/3



1. **Lecture.** This is the most effective way to transfer scientific information, the most economical way of learning, as the lecture operates with a large amount of material and is addressed to a large number of people who are able to simultaneously perceive and assimilate educational material. During the lecture, you can use the following methods:
 - Discussion. The presentation of the material uses problematic issues, tasks, situations. Learning takes place through scientific search, dialogue, analysis, comparison of different points of view, etc.;
 - Visualization. Assume a visual presentation of the material by means of technical means, audio and video equipment, multimedia technologies, with a brief comment on the demonstrated materials;
 - Consultations of practitioners. Employers are invited to attend. The material is presented in the form of questions, answers and discussions.

TEACHING METHODOLOGY 2/3



2. Seminar classes. During these classes, students present the material received at the lecture, in conjunction with the teacher in order to gain a thorough understanding of the information. Also, various tasks are solved together. During the seminar, you can use the following methods:

- Provocation. Classes with pre-planned errors. This is done in order to encourage students to constantly monitor the information offered to them and look for inaccuracies in it. At the end of the lesson, students ' knowledge is diagnosed and mistakes are analyzed;
- Visual. Illustration, demonstration, presentations;
- Writing. Glossary, crosswords, charts, etc.
- Survey. Written and oral questioning, regular testing;
- Group work. Business and role-playing games, blitz survey, etc.
- *Occasionally we also use laboratory research to enable students solving problems, analyze financial statements data on their own, under the guidance of a teacher.*

TEACHING METHODOLOGY 3/3



3. Interactive teaching method for self-learning using Moodle platform. With the help of the Moodle platform, there is a connection between the student and the teacher. They also need to use research method, because after analyzing the material, setting problems and tasks and brief oral or written instruction in Moodle environment, the trainees independently study literature, sources, conduct observations and measurements and perform other actions of a search character.

LABOUR MARKET RELEVANCE



During the workshop in CDU employers expressed the opinion that knowledge and competence in the field of Corporate Finance should be strengthened:

- Know the main areas of financial management: profit, financial risks, fixed and working capital, sources of financing of the enterprise, etc;
- Be able to make the most effective financial decisions;
- Be able to diagnose the current financial condition of the enterprise;
- Develop a credit policy at a particular enterprise;
- Develop an investment policy at a particular enterprise;
- Develop specific measures and proposals to improve the financial condition of the enterprise;
- Have the skills to draw up the production and financial section of the business plan.

ASSESSMENT AND GRADING



- Comrat State University has a 10-point grading system.
- To pass the course, students must have a current assessment of the results of listening to the discipline, which consists of the average of the estimates at the seminar (current survey, tests, presentations, reports, abstracts, messages, essays, etc.) and the certification assessment (control work). After that the student is allowed to take the exam. The composition of the examination ticket - 2 theoretical questions and 1 task. The final grade for the course is determined by summing the exam score multiplied by 0.4 and the current average score multiplied by 0.6.

The required results for the formation of the current assessment:



The title of topic	Form of control			
1. Essence and functions of corporate Finance.	Test, (10%)		Colloquium, (15%)	Essay, (15%)
2. Financial mechanism and financial structure of the enterprise.				
3. Financial policy of the enterprise.				
4. Investment policy of the enterprise.	Test, (10%)			
5. Financing of fixed assets of the enterprise.				
6. Financing of current assets of the enterprise.	Test, (10%)		Colloquium, (15%)	
7. Income, expenses, profit of the enterprise.				
8. Organization of cash turnover of the enterprise.	Test, (10%)			
9. Forecasting of financial activity of the enterprise.				
10. Preparation of a business plan at the enterprise.	Test, (10%)			
Presentation of the results of group work, (15%)				

The exam is conducted in writing



- **Examination card consists of 4 questions: two theoretical and two practical (tasks).**
- Calculation of written exam paper grades in the form of percentages:
 - 1. the first theoretical question – 20%;
 - 2. the second theoretical question - 20%;
 - 3. the third question (practical) - 30%;
 - 4. fourth question (practical) -30%.
- 100% - 10 points, 90% - 9 points, 80% - 8 points, 70% - 7 points, 60% - 6 points, 50% - 5 points, 40% - 4 points, 30% - 3 points, 20% -2 points, 10% - 1 point.
- Distribution of interest on questions:
 - - On the 1st and 2nd theoretical question:
 - 1. the logical answer - 35%;
 - 2. argumentation - 35%;
 - 3. using your own arguments in the database of individual searches - 30%.
 - - On the 3rd and 4th practical task:
 - 1. the correctness of the decision - 75%;
 - 2. reasoned conclusion and recommendations for the task - 25%.

REFERENCES



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- Limitovsky M. A., Palamarchuk V. P., Lobanova E. N.; Rev. ed. Lobanova E. N.: Corporate Financial Management. Educational and practical manual. 2019.
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COURSE ASSIGNMENTS

- Essay
- Group work



Course assignments (Essay)

- Write 8-10 A4 pages on Corporate Finance. Try to select specific topics within Corporate Finance from the list below. Discuss and give your point of view on the specific aspects.

Signs that the essay should have:

- the presence of a specific narrow topic or question
- expression of individual experiences and views on a particular subject or issue
- the work should involve a new, subjective opinion
- the contents of the essay are evaluated first author's personality - his Outlook and thoughts

Course assignments (Group work)



Create a group of 3-5 students and jointly develop a business plan.

Job content:

- Define the main idea;
- Create a summary of the business plan;
- Create a marketing section of the business plan;
- Create a new section of the business plan;
- Create a financial section of the business plan;
- Prepare a presentation and send it to the course Manager with explanations. There will also be a discussion.



THANKS FOR YOUR ATTENTION

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ANY QUESTIONS?