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Course Package “Corporate Finance”

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1. General information about the course

Explanation: Please fill in the table below.

Title of the course (as specified in the reformed curriculum)	Corporate Finance
Name of the teacher	Carabet Maria
Novelty of the course (please select as appropriate)	This course is a newly developed course (new in the curriculum)
Year of the course in the curriculum	2
Semester of the course in the curriculum	3
Language of instruction of the course	Russian, English
Number of ECTS credits	5

2. Learning outcomes of the course

As a result of studying the discipline "Corporate Finance" students should:

- 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.

3. Syllabus of the course

Distribution of hours

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.

Title of the course: Corporate Finance
Semester: 3
Number of ECTS credits: 5
Language of instruction: Russian
Type of course: Special discipline
Brief summary of course contents:

Corporate Finance as part of the overall management system of the organization occupies a special place in the financial management system of the organization.

This course examines the system of financial relations of the enterprise with investors, suppliers, buyers, employees, financial intermediaries, the state. Of great importance in the organization of enterprise Finance is the legislative regulation of the process of formation of financial resources and capital, cash turnover of enterprises, expenses and income, formation and distribution of profits.

Corporate Finance are the basis of the monetary system of the state, the main link of the economy. The state of the company's finances significantly affects the formation of national and regional funds.

Course topics:

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 the 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 the 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.

Teacher(s) of the course: Carabet Maria, PhD., Associate Professor

4. Teaching methodology of the course

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.

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 analysed;
 - 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, analyse financial statements data on their own, under the guidance of a teacher.*

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 analysing 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.

5. Labour market relevance of the course

During meeting with employers in Comrat State University (CSU) on 12.12.2017, were presented main stages of the “REFINE” project.

In the centre of discussion was a problem of deficit of qualified finance professionals in the regional companies.

Based on the results of the analysis in the summary of the main results of the seminar with employers it is recommended to strengthen knowledge, skills or competencies in the field of Corporate Finance.

Also during the workshop in CSU 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.

5. 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%)	Colloquium, (15%)	Presentation of the results of group work, (15%)
5. Financing of fixed assets of the enterprise.			
6. Financing of current assets of the enterprise.			
7. Income, expenses, profit of the enterprise.	Test, (10%)	Colloquium, (15%)	
8. Organization of cash turnover of the enterprise.			
9. Forecasting of financial activity of the enterprise.	Test, (10%)	Colloquium, (15%)	
10. Preparation of a business plan at the enterprise.			

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%.

6. References

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8. Principles of Corporate Finance: / Stephen A. Ross, Franco Modigliani Professor of Finance and Economics, Sloan School of Management, Massachusetts Institute of Technology, Consulting Editor, ISBN-13: 978-0-07-353073-4 (alk. paper); ISBN-10: 0-07-353073-5 (alk. paper).
- 9.

7. Course assignments

7.1 Assignment 1

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.

List of topics:

- The role of information in the activities of a financial Manager;
- The importance of financial policy at the microeconomic level;
- Relationship of the company with the budget and extra-budgetary funds;
- The role and significance of risks in the company's activities and ways to reduce them;
- Management decisions in the field of dividend policy and methods of dividend payments used in world practice;
- The role and significance of credit in the company's activities, its varieties and forms;
- The role of the state in the investment process in the context of the investment crisis;
- Analysis of investment projects under risk conditions;
- Valuation and depreciation of fixed assets in modern conditions in the Republic of Moldova;
- Leasing is a method of financing capital investments;
- Efficiency of management and use of working capital in the conditions of development of market relations;
- Management of accounts receivable and accounts payable of the company;
- The role and significance of profit and profitability in the activities of enterprises in market conditions;
- Evaluation of the effectiveness of the money management system in modern conditions;
- Types and causes of financial difficulties for enterprises and ways to solve financial failures;
- The value of financial planning as the main section of the business plan;
- The role and significance of enterprise planning and forecasting in the context of constantly increasing competition;
- Financial restructuring and its role in economic policy;
- Financial and industrial groups and their role in the process of economic restructuring;
- Methods for determining the creditworthiness of enterprises and analysis of their credit conditions;
- Modern assessment and analysis of financial stability of enterprises;
- The value and methods of determining the liquidity of an enterprise in RM from world practice.
- The main forms of non-cash payments in the Republic of Moldova.

The essay must be presented to the audience.

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

7.2 Assignment 2

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.

Annex: Presentation slides