



Exchange programme Vrije Universiteit

Vrije Universiteit Amsterdam - Exchange programme Vrije Universiteit - 2022-2023

Exchange

Vrije Universiteit Amsterdam offers many English-taught courses in a variety of subjects, ranging from arts & culture and social sciences, neurosciences and computer science, to economics and business administration.

The International Office is responsible for course approval and course registration for exchange students. For details about course registration, requirements, credits, semesters and so on, please [visit the exchange programmes webpages](#).

Corporate Finance: a Sustainability Perspective

Course Code	E_IBA2_CFSP
Credits	6.00
Period	P5
Course Level	200
Language Of Tuition	English
Faculty	School of Business and Economics
Course Coordinator	dr. L.M. Capera-Romero
Examiner	dr. L.M. Capera-Romero
Teaching Staff	dr. L.M. Capera-Romero
Teaching method(s)	Study Group, Lecture

Course Objective

This course aims to develop a framework that guides firms' investment and financial decisions, emphasizing sustainability considerations. This framework combines a solid understanding of the most common corporate finance theories with a sensible selection of the most suitable approach in practical situations.

LEARNING OUTCOMES

ACADEMIC AND RESEARCH SKILLS

After completing this course, the student can:

- identify international differences in regulation and corporate governance;
- understand which financial decisions create value;
- distinguish between relevant and irrelevant information for corporate financing decisions.
- understand how ethical, social, and environmental considerations influence the financial decisions of a firm in different international contexts.

BRIDGING THEORY AND PRACTICE

Knowledge: (Demonstrates theoretical and empirical knowledge concerning the relevant areas in international business administration)

After successfully completing this course, the student will have a working knowledge of the following:

- relevant corporate governance mechanisms and international differences in CG;
- capital structure and financing decisions;
- agency conflicts within firms;
- corporate payout policies;
- the most common valuation methods (APV, WACC, FTE, and valuation multiples);
- relevant concepts on sustainability and corporate social responsibility in finance.
- quantify the value of a project/company taking financing decisions into account;
- compute expected changes in stock prices relating to these financing decisions.

Application (Ability to propose a solution to an international real-life business problem by applying relevant theories and methodologies).

After completing this course, the student:

- understands the relevance of our financing theories in practice;
- understands the investment and financing decisions of firms discussed in financial media;
- appreciates the importance of financial models and the guidance they on how financial decisions are implemented in business by focusing on and simplifying the relevant aspects;

- can identify the role of corporate governance in helping firms and society to achieve sustainability and social responsibility goals.

BROADENING YOUR HORIZONS

After successfully completing this course, the student:

- can use a basic but comprehensive toolset to build valuation models for companies;
- understand how the institutional environment can shape the capital structure of firms operating in developed and emerging markets;
- understand the opportunities and challenges of sustainable finance in different institutional environments.

Course Content

This course discusses some of the firms' most important financing decisions. Throughout the course, we will examine different business environments and their implications on the firms' optimal capital structure, payout policies, and corporate valuation models.

The course will allow students to understand better the behavior of markets of corporate securities in emerging and developed markets and the advancement of sustainable finance initiatives, departing from the historical, cultural, and regulatory environments across countries.

After successfully attending this course, the student will be able to:

- Discuss the implications of equity and debt financing;
- Critically assess assumptions and outcomes of most common valuation models;
- Understand how ethical, social, and environmental considerations influence the financial decisions of a firm in different international contexts

Additional Information Teaching Methods

This course consists of a series of 10 lectures (up to 150 students per session) and four tutorials (up to 50 students per session), which will take place on campus. Each session has an expected duration of 1 hour and 45 minutes. The expected contact time per week is 5 hours and 15 minutes (two lectures and one tutorial per week). Attendance to the tutorials is mandatory.

Method of Assessment

Team assignment
Class participation
Final exam

Literature

In this course, we use a book and case study materials:

- 1) Book: Berk and DeMarzo (2017), Corporate Finance, Pearson, 4th Global Edition. Chapters 14-19, 23-27 and 29.
- 2) Additional discussion material will be posted on Canvas.
- 3) Cases: the case study material will be announced during the course. Case materials can be purchased from Harvard Publishing. (A credit card may be required.)

Additional Information Target Audience

The course Corporate Finance: a Sustainability Perspective is an elective course of the second year of the IBA program.

Students interested in specializing further in Financial Management can

follow the specialization courses Financial Modelling and Derivatives and International Financial Management. Students who would like to transfer to the MSc Finance after this bachelor's program also need to follow the Financial Markets & Institutions course on top of their courses.

Additional Information

The themes taught in this course are prerequisites for the MSc Finance and strongly recommended for the MSc Financial Management.

Explanation Canvas

The content covered during lectures and tutorials might be complemented with videoclips that will be posted on Canvas if needed.

Recommended background knowledge

Finance (E_IBA2_FIN)