COURSE OBJECTIVES
This is an advanced course in Financial Management. The participants are assumed to have a background in managerial finance.
During the course, we shall revise and develop such concepts as corporate valuation, real option valuation, financing decisions, dividends and repurchases, mergers & acquisitions, corporate restructuring, risk management.
Each topic shall be illustrated with case studies. The analyses shall be made from the perspective of the decision maker or the viewpoint of the analyst. The purpose of the decision shall be to create value for the owners.
During the course, we shall analyze risk factors accompanying the decisions taken. For that end, the real option approach shall be used.
While handling each of the topics attention shall be paid to the global context of the financial and investment decisions taken. We shall also discuss the special problems of applying the general concepts of financial management in emerging markets.

BRIEF CONTENTS

1. Corporate Value and Value-Based Management
   • Free Cash Flow Valuation and the Cost of Capital
   • International Investment Decisions
   • Overview of Corporate Valuation
   • Value Based Management
   • Corporate Governance and Shareholders Wealth
   • International Corporate Governance

2. Option Pricing with Application to Real Options
   • Introduction to Option Pricing Models
   • Introduction to Real Option
   • Valuing Real Options
   • Flexibility and Value
   • Flexibility in a Global Context

3. Financing Decisions
   • Capital Structure Decisions
   • Debt Financing
   • Lease Financing
   • Hybrid Financing: Preferred Stock, Warrants, and Convertibles
• Initial Public Offerings
• Globalization and the Cost of Capital
• Accessing the Global Capital Market

4. Distributions to Shareholders: Dividends and Repurchases
• Dividends versus Capital Gains
• Stock Splits
• Stock Repurchases
• Dividends Policy in Multinational Firms

5. Mergers & Acquisitions, Corporate Restructuring
• Reasons for Mergers
• Estimating Merger Effects
• Cross-Border Mergers & Acquisitions
• Design and Valuation of LBO
• Joint Ventures Analysis
• Strategic Alliances
• Corporate Restructuring

6. Managing Risk
• Hedging with Futures
• Forward Contracts
• Swaps
• Options

TEXTBOOKS AND COURSE MATERIALS