

Corporate Finance Ib

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Course Description:

This course introduces students to basic concepts of corporate finance and corporate governance. The first part of the course presents conditions for irrelevance of firms' financial and governance structures. These conditions serve as a traditional framework for classifying corporate finance theory. A more modern perspective is presented in the second part of the course. This is done in two steps. The first step is an analysis of the financing of firms with exogenous governance structures (with a focus on owner-managed firms with passive outside investors). The second step is a joint analysis of corporate finance and corporate governance (with a focus on firms with active outside investors). The third part of the course presents analyses of different ways in which firms' financial and governance structures affect the firms' behavior in their output and input (labor) markets.

Course Preparation:

Please read the following in advance of taking the course:

Chapter 1: Tirole, J., 2006, The Theory of Corporate Finance, Princeton University Press.

Chapter 1-3: Grinblatt, M. and Titman, S., 1998, Financial Markets and Corporate Strategy, Irwin/McGraw-Hill

Time schedule – summer term 2007

| | | |
|----------------|-------------------|--|
| Tue | Apr 24 | 11.00-12.30, HS II |
| Thu | Apr 26 | 11.00-12.30, HS II |
| Tue | May 08 | 11.00-12.30, HS II |
| Thu | May 10 | 11.00-12.30, HS II |
| Mon | May 14 | 14.00-15.30, HS II |
| Wed | May 16 | 14.00-15.30, HS II |
| Tue | May 22 | 11.00-12.30, HS II |
| Thu | May 24 | 11.00-12.30, HS II |
| Tue | May 29 | 11.00-12.30, HS II |
| Thu | May 31 | 11.00-12.30, HS II |
| Mon | Jun 04 | 14.00-15.30, HS II |
| Tue | Jun 05 | 11.00-12.30, A618, WU-UZA 4 |
| Wed | Jun 06 | 11.00-12.30, HS II |
| Tue | Jun 12 | 11.00-12.30, HS II |
| Tue | Jun 13 | 11.00-12.30, A618, WU-UZA 4 (instead of Jun 18) |
| Thu | Jun 14 | 11.00-12.30, HS II |
| Mon | Jun 18 | 11.00-12.30, HS II |
| Mon | Jul 02 | 10.30-12.30, HS II |

Location:

Institute for Advanced Studies, Vienna
1060, Stumpergasse 56

Examination:

Assignments and a final exam.

Final Exam: Mon, July 16, 11.00-12.30 At WU, UZA 4 at room H. DE03