

Advanced Finance GEST – S402	
I. Informations Générales / General information	
Intitulé de l'unité d'enseignement * / <i>Title of the teaching unit</i>	Advanced Finance
Langue d'enseignement * / <i>Course language</i>	English
Niveau du cadre de certification * / <i>Level of the qualification framework</i>	Master level
Discipline * / <i>Discipline</i>	Triple diploma Master ULB-UCL-ICHEC
Titulaire(s) * / <i>Lecturer(s)</i>	Laurent GHEERAERT
II. Place de l'enseignement / Location of the course	
Unité(s) d'enseignement co-requis(e)s / <i>Co-required teaching unit(s)</i>	
Unité(s) d'enseignement pré-requis(e)s / <i>Pre-required teaching unit(s)</i>	
Connaissances et compétences pré-requis / <i>Pre-required knowledge and skills</i>	<p>IMPORTANT NOTE: This is an <u>advanced</u> finance course. In order to succeed, it is absolutely key to be proficient in prerequisites, i.e. to be acquainted with the theory and practice of key 'finance 101' and related concepts!</p> <p>More specifically:</p> <ul style="list-style-type: none"> ✓ <u>Statistics and econometrics</u> (including random variable, descriptive statistics and linear regression) ✓ <u>Accounting</u> and financial statements analysis ✓ Introduction to <u>Finance</u> (in particular, tools and concepts pertaining to: cash flows, time value of money, bond valuation, investment decision making)
Programme d'études comprenant l'unité d'enseignement / <i>Study programme(s) featuring the teaching unit</i>	MA1

III. Objectifs et méthodologies / Objectives and methodologies	
<p>Contribution au profil d'enseignement * / <i>Contribution of the teaching unit to the programme profile</i></p>	<p>Contribution to the competency framework:</p> <ul style="list-style-type: none"> ✓ Adopt a professional and pragmatic stance to work effectively under pressure. ✓ Critically analyse situations based on a scientific managerial approach ✓ Devise strategies by developing innovative approaches and practical solutions ✓ Manage resources, tasks and input of stakeholders ✓ Implement projects by transforming strategic visions into real-life models
<p>Objectifs du cours et acquis d'apprentissages spécifiques * / <i>Objectives of the teaching unit (and/or specific learning outcomes)</i></p>	<p>The objective of the course is to equip students with a strong theoretical and practical command of advanced corporate finance concepts and tools, covering a.o. the asset side (investment decisions) and the liability side (financial structure decisions).</p> <p>Upon completion of the course, students should be able to provide a reasonable and substantiated valuation of firm equity (market capitalization, price per share) and assets (company value) based on information typically available in real situations. Students will be trained to build a critical opinion based on their observations and computations, enabling them to make wise financial decisions at corporate level. This should ultimately enhance their aptitude to communicate with executive management (financial and non-financial).</p>
<p>Contenu du cours * / <i>Contents of the teaching unit</i></p>	<ol style="list-style-type: none"> 1. Accounting, financial analysis and Free Cash Flows (FCF) (<i>core concepts review 1/2</i>) 2. Time value of money, bond valuation, and investment decision (<i>core concepts review 2/2</i>) 3. A comparison of two equity valuation frameworks: Dividend Discount Model (DDM) and Discounted Cash Flow Model (DCFM)

	<ol style="list-style-type: none"> 4. Inside the DCFM – FCF projections and Terminal Value (TV) 5. Inside the DCFM – Beta and the Capital Asset Pricing Model (CAPM) 6. Inside the DCFM – The WACC (Weighted Average Cost of Capital) approach (under perfect capital markets, without and with corporate taxes) 7. Inside the DCFM – The CCF (Capital Cash Flow) approach 8. Inside the DCFM – The APV (Adjusted Present Value) approach (with transaction and agency costs) 9. The multiples approach 10. Wrap-up on equity and company valuation 11. Optimal financial structure of the firm 12. Specialized topic* <ol style="list-style-type: none"> a. Mergers & acquisitions b. Islamic Finance (an introduction) <p>* If time allows (one topic will be chosen)</p>
<p>Méthodes d'enseignement et activités d'apprentissages * / <i>Teaching method and learning activities</i></p>	<p>The theoretical course consists of lectures (presentation of theoretical tools of modern corporate finance) illustrated by real situations (business cases) and scientific papers. It requires a preparation by the students before class (e.g., reading business case / scientific paper) and an active participation during class (e.g., short theoretical reminders).</p> <p>The exercise sessions consist in a series of mini-cases and exercises to practice key concepts seen in the course.</p> <p>Finally, students will work in groups on an assignment consisting in solving a real-life corporate finance issue, and</p>

	communicating a recommendation in a professional way.
Supports de cours indispensables * / <i>Essential course materials</i>	Course slides and exercises
Autres supports de cours / <i>Other course materials</i>	
Références, bibliographie et lectures recommandées * / <i>References, bibliography and recommended reading</i>	Berk, J. and P. DeMarzo (« BDM »), 2013, Corporate Finance, 3rd edition, Pearson, ISBN-13: 978-0133424157, 1008 pages (<i>complete version</i>).
IV. Evaluation / Assessment	
Méthode d'évaluation * / <i>Method(s) of assessment</i>	<ol style="list-style-type: none"> 1. Individual written test on prerequisites 2. Individual final exam (theory and exercises) 3. Group work (business case resolution) 4. Group preparations of theoretical and exercise classes (short wrap-ups and "mini-cases")
Construction de la note, pondération des différentes activités * / <i>Construction of the mark (including the weighting of the various partial marks)</i>	<ol style="list-style-type: none"> 1. Written test on prerequisites (individual grade, weight of 5%) 2. Final exam (individual grade, weight of 65% <u>if the final exam grade is $\geq 8/20$, otherwise weight of 95%</u>) 3. Business case resolution (group grade, weight of 20% <u>only if the final exam grade is $\geq 8/20$, otherwise weight = 0%</u>) 4. Preparation of theoretical and exercise classes (group grade, weight of 10% <u>only if the final exam grade is $\geq 8/20$, otherwise weight = 0%</u>)
Langue d'évaluation * / <i>Assessment language</i>	English
V. Organisation pratique / Practical organisation	
Institution organisatrice * / <i>Organising institution</i>	ULB
Faculté gestionnaire * / <i>Managing Faculty</i>	Solvay Brussels School of Economics and Management
Quadrimestre * / <i>Four-month period</i>	First quarter
Horaire * / <i>Schedule</i>	
Volume horaire / <i>Schedule volume</i>	

VI. Coordination pédagogique / <i>Educational coordination</i>	
Contact * / <i>Contact</i>	Laurent.Gheeraert@ulb.be
Lieu d'enseignement * / <i>Teaching location</i>	Solbosch
Remarques / <i>Remarks</i>	
Autres dimensions / <i>Other dimensions</i>	<p>L'unité d'enseignement développe :</p> <ul style="list-style-type: none"> ✓ l'esprit critique et le libre examen ✓ le CSR et l'éthique ✓ l'entrepreneuriat et l'innovation ✓ une dimension quantitative ✓ une perspective internationale