

| <b>Module 4: Finance</b>   |                     |                  |                       | <b>Study programme</b>          | MBA english                     |
|--|---------------------|------------------|-----------------------|---------------------------------|---------------------------------|
| <b>Modul type:</b>   | <b>ECTS-Points:</b> | <b>Workload:</b> | <b>Study stage:</b>   | <b>Module duration:</b>         |                                 |
| Compulsory   | 6                   | 180              | 2nd                   | 56 hrs plus exam                |                                 |
| <b>Course(s):</b>  |                     |                  | <b>Contact hours:</b> | <b>Independent study-hours:</b> | <b>Planned groupsize (max):</b> |
| Course 4a: Investments   |                     |                  | 28                    | 62                              | 15                              |
| Course 4b: Financial Management  |                     |                  | 28                    | 62                              | 15                              |
| <b>Module Learning Outcomes:</b>   |                     |                  |                       |                                 |                                 |
| <p>Module 4 "Finance" addresses the financial processes of the firm. Participants are enabled to evaluate capital investments in fixed assets and to assess financial investments. They are competent to discuss different models of investment calculation as well as their underlying premises, limits and fields of usage. Moreover, participants will be provided with a deep and holistic understanding of the propositions and effects of financial management. Thus, they will be able to translate general problems in decision making into financial problems. Students understand the importance of liquidity so that they are able to master and discuss instruments of a successful and risk oriented financial management on the operative and strategic level.</p>   |                     |                  |                       |                                 |                                 |
| <b>Intended Learning Outcomes:</b>   |                     |                  |                       |                                 |                                 |
| <p><b>Course 4a: Investments</b></p> <p>Participants in the course are introduced to important topics that are currently of concern to investors. In this course students are given an overview of capital markets, financial instruments, and investment processes. They will have the competence to structure investment decisions by using appropriate investment calculation models. They are enabled to use such models and to assess their underlying premises, limits and fields of usage. Students will gain a deep understanding of how investment theory provides a basis for rational portfolio management decisions. Moreover, they will be able to understand the principals of options trading and to apply commonly used strategies.</p> <p><b>Course 4b: Financial Management</b></p> <p>The objective of the course is to advance the participants' thinking about Financial Management. Therefore we explore the theory and techniques of corporate finance and capital markets. Students will be able to structure and discuss financial decisions with respect to meeting the financial needs of a company. They will gain a holistic understanding of the propositions and effects of financial management. Moreover they will be able to translate general problems in decision making into financial problems. In this respect financial risks and the instruments to mitigate risk are also covered.</p> |                     |                  |                       |                                 |                                 |

**Description / Contents:**

**Course 4a: Investments Management**

- Investment environment, asset classes and financial instruments
- Investment calculation models
  - o Net present value
  - o Final value
  - o Annuity
  - o Internal rate of return
- Portfolio Management
  - o Optimal risky portfolios
  - o Capital Asset Pricing Model
  - o Arbitrage Pricing Theory
- Options trading

**Basic Literature**

Bodie, Z./Kane, A./ Marcus, A.: Investments, 12<sup>th</sup> Edition, McGraw-Hill Education, 2019.

Reilly, F.K./Brown, K.C: Investment Analysis and Portfolio Management, 10<sup>th</sup> edition, Cengage Learning 2011.

**Course 4b: Financial Management and Risk**

- Fundamentals of corporate finance
  - o Internal vs. external finance
  - o Equity vs. debt finance.
- Dimensions and instruments of financing decisions
  - o External debt finance
  - o IPO & recapitalisation
  - o Capital Structure
- Capital markets and stock exchanges
- Fundamentals of financial risk management

**Basic Literature**

Atrill, P.: Financial Management fro Decision Maker, 9<sup>th</sup> edition, Pearson 2019.

Brealey R.A./Myers, S.C./Allen, F.: Principles of Corporate Finance, McGraw-Hill, 11<sup>th</sup> international edition 2013

**Language:**

Couses are taught in English.

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| <b>Teaching methods:</b>  |
| Interactive Lectures, Exercises, Case Analysis and Presentation             |
| <b>Module applicability:</b>  |
| MBA „General Management“ - english  |
| <b>Pre-requisites/Requirements:</b>   |
| Admission to the MBA-programme “General Management” – english               |
| <b>Examination Types:</b>   |
| Examination in the form of a written exam (180 minutes).                    |
| <b>Requirement for award of ECTS-points:</b>                                |
| Successful participation in the exam.                                       |
| <b>Course availability:</b>   |
| Annually  |
| <b>Assessment:</b>  |
| The exam of this module counts for 9,09 per cent of the final examination   |
| <b>Modul convenor and main lecturer:</b>                                    |
| Prof. Dr. Christoph J. Börner, Prof. Dr. Eva Lutz, (Dr.) Bennet Schierstedt |
| <b>Further information:</b>   |
| Material for the courses will be provided online                            |
| <b>Module Version:</b>  |
| 2020-11 V1  |