

Module 4: Finance				Study programme	MBA english
Modul type:	ECTS-Points:	Workload:	Study stage:	Module duration:	
Compulsory	6	180	2nd	14 sessions	
Course(s):			Contact hours:	Independent study-hours:	Planned groupsize (max):
Course 4a: Investments and Portfolio Management			28	62	15
Course 4b: Financial Management and Risk			28	62	15
Module Learning Outcomes:					
<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>					
Intended Learning Outcomes:					
Course 4a: Investments and Portfolio Management					
<p>For managers in all functions and departments the knowledge of investment calculation is extremely important because they need corresponding abilities and competencies in many fields. Participants of this course are enabled to make decisions on the increase of capacity, acquisitions of companies, new product development, buying or leasing of assets, test of impairment of goodwill. Students will have the competence to structure investment decisions by using appropriate models. They are enabled to use such models and to assess their underlying premises, limits and fields of usage.</p>					
Course 4b: Financial Management and Risk					
<p>The objective of the course is to advance the participants' thinking about Financial Management and Entrepreneurial Finance. Therefore we explore the theory and techniques of corporate finance and new venture financing especially from an entrepreneurial perspective. Participants will be able to structure and discuss financial decisions. 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.</p>					

Description / Contents:**Course 4a: Investments and Portfolio Management**

- Investment calculation models
 - o Net present value
 - o Final value
 - o Annuity
 - o Internal rate of return
- Replacement investments and the estimation of the optimal useful economic life
- Decision making under uncertainty
- Payback period of projects, sensitivity analysis, and risk analysis
- Capital budgeting models and the organization of capital budgeting processes
- Portfolio Management

Basic Literature

Hilton, R.W.: Managerial Accounting, 7th edition, McGraw Hill Irwin 2008

Reilly, F.K./Brown, K.C: Investment Analysis and Portfolio Management, 6th edition, South-Western College Publishing 2005

Course 4b: Financial Management and Risk

- Fundamentals of corporate finance
 - o Internal vs. external finance
 - o Equity vs. debt finance.
- Financing decisions following the life-cycle model
 - o Entrepreneurial finance
 - o Capital Structure
 - o IPO & recapitalisation
- External debt finance
- Capital markets and stock exchanges
- Fundamentals of financial risk management

Basic Literature

Atrill, P.: Financial Management for Decision Maker, 6th edition, Financial Times Press 2011.

Brealey R.A./Myers, S.C./Allen, F.: Principles of Corporate Finance, McGraw-Hill, 9th international edition 2007

Language:

Courses are taught in English.

Teaching methods:

Interactive Lectures, Exercises, Case Analysis and Presentation

Module applicability:
MBA „General Management“ - english
Pre-requisites/Requirements:
Admission to the MBA-programme “General Management” – english
Examination Types:
Examination in the form of a written exam (180 minutes).
Requirement for award of ECTS-points:
Successful participation in the exam.
Course availability:
Annually
Assessment:
The exam of this module counts for 9,09 per cent of the final examination
Modul convenor and main lecturer:
Prof. Dr. Christoph J. Börner / Prof. Dr. Klaus-Peter Franz
Further information:
Material for the courses will be provided online
Module Version:
Aug. 1 st 2014