

## Course Descriptions None 2023-2024

Course Title Financial Analysis and Risk Management

Course Code EBC1048

ECTS Credits 6,5

Assessment Whole/Half Grades

Period	Start	End	Mon	Tue	Wed	Thu	Fri
5	15-4-2024	7-6-2024	X		X		

Level no level

Coordinator Pomme Theunissen For more information:p.theunissen@maastrichtuniversity.nl

Language of instruction English

Goals

1. Understand and explain the main issues addressed in corporate finance and in financial markets, both from a theoretical and practical perspective:
  - a. How to increase shareholder value by pursuing investments with positive net present value or alternative evaluation criteria.
  - b. How return can only be realized by taking a certain amount of risk, both with investment projects within companies as well as for individual investor portfolios.
  - c. How markets price and reward risks.
  - d. How risk averse investors can form portfolios in order to diversify risk.
  - e. What derivatives are and why they are increasingly important in the financial system.
2. Review financial articles in newspapers like the Financial Times, Wall Street Journal and Economist.
3. Build data driven evidence for financial decisions applying basic financial information of firms or institutions.
4. Understand that shareholder value is no longer the only concern of financial managers and explain how aspects of sustainability and corporate social responsibility play a role.

Description

The course consists of three parts. The first part focuses on the basics of corporate finance, where we will take the viewpoint of a financial manager and distinguish between investment and financing decisions. The second part focuses on the concept of valuation. Topics in this part are the net present value of a project or investment, valuation of stocks, valuation of bonds, and capital budgeting. The third part of the course is built around the risk-return trade-off and (modern) portfolio theory. We will analyse risk-return models to assess the required return of investment projects or securities. We will also introduce the topic of financial derivatives (options, forwards contracts) often used by corporate risk managers to hedge risky positions on the balance sheet like e.g. foreign exposure of outstanding invoices.

Literature Jonathan Berk and Peter DeMarzo, Corporate Finance, Pearson, fifth global edition.

Prerequisites

Keywords

Teaching methods PBL / Lecture / Assignment

Assessment methods Written Exam

Evaluation in previous academic year For the complete evaluation of this course please click <http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM>

This course belongs to the following programme / specialisation

Bachelor Business Analytics

Year 1 Compulsory Course(s)