

Course descriptions - Overview

Master of Science in Management (full time)		
Integrated Management (Core module)	Finance I (Elective module)	Finance II (Elective module)
Finance (2,5 ECTS) [1]	Corporate Finance (2 ECTS) [3]	Risk Management (3 ECTS) [5]
	Corporate Valuation (3 ECTS) [7]	Seminar in Finance (2 ECTS) [9]

Master of Science in Management (part time)	
Integrated Management (Core module)	Finance (Elective module)
Finance (2 ECTS) [1]	Corporate Valuation (4 ECTS) [7]
	Corporate Finance / Risk Mgmt. (4 ECTS) [11]

Master Program in General Management (full time)		
Business Fundamentals (Core module)	International Challenges (Core module)	Managing Investors (Elective module)
Financial Management (3 ECTS) [13]	International Finance (3 ECTS) [15]	Corporate Valuation (3 ECTS) [16]

Master Program in General Management (part time)	
Business Fundamentals (Core module)	International Challenges (Core module)
Financial Management (4,5 ECTS) [13]	International Finance (3 ECTS) [15]

Program: Master of Science in Management (full time, part time)

Module: Integrated Management (Compulsory core module)

Course: Finance

Credits: 2 (MSc6) – 2,5 (from MSc7 onwards), 2 (PTMSc)

Lecturer: Prof. Dr. Bernhard Schwetzler

<p>Learning objectives and outcomes</p>	<p>The aim of this course is to provide a thorough understanding of the theoretical foundations of corporate financing and investment decisions.</p> <p>Learning outcome of this course is the methodological competence to analyze and solve complex finance problems. Participants will be able to apply financial models and criteria for rational finance decisions on the corporate level, such as capital structure choice and dividend policy.</p> <p>This course will prepare participants, methodologically, to take part in the Finance elective lectures.</p>
<p>Content</p>	<p>The course Finance covers the theoretical foundations of the most important decisions on corporate level: investment, financing and payout decisions.</p> <p>Therefore the course mainly focuses on the following topics:</p> <ul style="list-style-type: none"> • CAPM: portfolio theory, efficient frontier, capital market line, security market line, estimating betas • Corporate Investment: cash flow analysis, cash flow projections, additivity principle, cost of equity, WACC • Capital Structure: Modigliani/Miller propositions, trade-off theory • Dividend Policy: residual hypothesis of dividends, irrelevance theorem of Miller/Modigliani, factors influencing real world dividend policy • Option Pricing: binomial option pricing model, real options <p>Participants will get to know the capital asset pricing model (CAPM) and will apply it when making corporate investment decisions. Further, they learn about the leading theories in the field of capital structure choices and dividend policies. In the last part, participants will get familiar with financial derivatives and real options: students are introduced to the basic concepts of replication and risk-neutral pricing. Mathematical knowledge is utilized when students have to work with binomial trees and state prices.</p>
<p>Teaching methods</p>	<p>The following teaching methods are applied (partly the usage depends on the number of participants):</p> <ul style="list-style-type: none"> • Interactive lectures • Exercises • Class discussions • Self-studies <p>The course might be supplemented with case study work.</p>
<p>Conditions of participation</p>	<p>Admission to the HHL MSc Program.</p>

Application, combination and frequency	The course is part of the core module “Integrated Management” and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module. The course is held once a year.
Conditions for credit points and grades	<p>Credit points are awarded for passing the module “Integrated Management”. The module is passed, if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Exam (100 %) <p>The grades range from 1 to 5.</p>
Workload	The course Finance accounts for 2 ECTS (2,5 ECTS), which are equivalent to a total workload of 60 hours (75), i.e. approx. 16 hours (20) of classes, 4 contact hours (5), and 40 hours (50) of preparation and self-study.
Duration	The course extends over one term.
Literature	<ul style="list-style-type: none"> • Copeland, T./Weston, J/Shastri, K: Financial Theory and Corporate Policy, 4th ed., Reading Ma. 2005 • Further articles will be announced in class

Program: Master of Science in Management (full time)

Module: Finance I

Course: Corporate Finance

Credits: 2

Lecturer: Prof. Dr. Bernhard Schwetzler

<p>Learning objectives and outcomes</p>	<p>The aim of this course is to provide students with the ability to structure and analyze complex problems in corporate finance. It will enable them to make rational investment and financing decisions.</p> <p>Participants will know the most important theories and models for analyzing capital structure choices, payout policies and investment decisions on corporate level.</p>
<p>Content</p>	<p>The course Corporate Finance covers models and criteria for rational finance decisions on corporate level, such as the capital structure choice, investment and dividend policy.</p> <p>Therefore, the course mainly focuses on the following topics:</p> <ul style="list-style-type: none"> • Basics of Corporate Finance: Corporate Finance objectives, investors perspective, capital market efficiency, principal-agent theory • Capital structure and debt financing: debt and taxes, agency costs of debt, costs of financial distress, trade-off theory, defaultable bonds and credit risk spreads, leasing • Dividend policy and equity financing: residual hypothesis of dividends, irrelevance theorem of Miller/Modigliani, dividends and taxes, dividends and share buybacks as signals, agency costs of equity, pecking order theory, corporate cash holdings, IPOs, Stulz model • Selected issues in Corporate Governance: general remarks, executive compensation <p>The introductory part gives an overview over different principal – agent relations within the firm and their impact upon financing, investment and payout decisions. The course also covers different theories of capital structure policies from the Modigliani/Miller irrelevance theorem to the pecking order model and the trade-off theory of optimal capital structures.</p> <p>Participants will be enabled to use different models to derive the optimal payout policy of a firm. Additionally, other aspects for corporate investment and payout decisions as informational asymmetries, agency conflicts etc. are discussed.</p>
<p>Teaching methods</p>	<p>The following teaching methods are applied (partly the usage depends on the number of participants):</p> <ul style="list-style-type: none"> • Interactive Lectures • Case Study Work • Article Discussion • Exercises • Self-studies

Conditions of participation	Admission to the HHL MSc Program.
Application, combination and frequency	The course is part of the elective module “Finance I” and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module. The course is held once a year.
Conditions for credit points and grades	<p>Credit points are awarded for passing the module “Finance I”. The module is passed, if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Exam (50 %) • Two case study works (25 % each) <p>The grades range from 1 to 5.</p>
Workload	The course Corporate Finance accounts for 2 ECTS, which are equivalent to a total workload of 60 hours (approx. 16 hours of classes, 4 contact hours, and 40 hours of preparation and self-study).
Duration	The course extends over one term.
Literature	<ul style="list-style-type: none"> • Brealey, R./Myers, S.: Principles of Corporate Finance, 7th ed., New York 2003; • Copeland, T. E., Weston, J. F., Shastri, K. (2005) Financial Theory and Corporate Policy, 4th ed., Boston • Grinblatt, M./Titman, S.: Financial Markets and Corporate Strategy, McGraw-Hill 1998

Program: Master of Science in Management (full time)

Module: Finance II

Course: Risk Management

Credits: 3

Lecturer: Prof. Dr. Bernhard Schwetzler

<p>Learning objectives and outcomes</p>	<p>The aim of this course is to provide a thorough understanding of theoretical concepts and policies of risk management, enabling the participant to tackle complex real world problems.</p> <p>Different risk factors as commodity prices, foreign exchange rates etc. will be discussed and analyzed. The students will be able to understand and apply the most important risk measures. They will further get familiar with financial derivatives and will learn how to price and apply them in order to change corporate risk exposure.</p> <p>Students will be sensitized for the importance of risk management to corporate managers.</p>
<p>Content</p>	<p>Understanding and properly managing a firm's risk exposure is essential in corporate management.</p> <p>The course Risk Management focuses on the following topics:</p> <ul style="list-style-type: none"> • Corporate finance and risk in corporations • Why should you manage the risk of a company: market imperfections, informational asymmetries • Measuring the different kinds of risk – including Value at Risk, sensitivity analysis • Explaining financial derivatives – futures, forwards, swaps and options • Using financial derivatives for risk management: 'hedging' and 'insuring', variance-minimizing hedging, reducing interest rate sensitivity using swaps, insuring with options <p>Students will be able to link risk management with the objectives of a corporation. Starting from a perfect capital market, they will learn why risk management is valuable in the presence of taxes, transaction costs or financial distress. The model of Froot / Scharfstein / Stein will provide evidence for risk management strategies that solve the underinvestment problem.</p> <p>Students will be able to explain financial derivatives as forwards, futures, swaps and options and apply models to price these derivatives. They get to know valuation methods for options like the Black-Scholes framework and binomial trees.</p> <p>Finally, students will get to know the difference between hedging and insuring methods and their advantages and disadvantages. Furthermore, they learn how to use forwards/futures in order to realize a variance-minimizing hedge strategy and delta hedging strategies.</p>

Teaching Methods	<p>The following teaching methods are applied (partly the usage depends on the number of participants):</p> <ul style="list-style-type: none"> • Interactive Lectures • Exercises • Class Discussions • Assignments • Self-studies <p>The course might be supplemented with potential case study work.</p>
Conditions of participation	Admission to the HHL MSc Program.
Application, combination and frequency	The course is part of the elective module “Finance II” and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module. The course is held once a year.
Conditions for credit points and grades	<p>Credit points are awarded for passing the module “Finance II”. The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Exam (100 %) <p>The grades range from 1 to 5.</p>
Workload	The course Risk Management accounts for 3 ECTS, which are equivalent to a total workload of 90 hours, i.e. approx. 24 hours of classes, 6 contact hours, and 60 hours of preparation and self-study.
Duration	The course extends over one term.
Literature	<ul style="list-style-type: none"> • Hull: Options, Futures and other Derivatives, 6th ed., Prentice Hall London (2005) • Stulz: Risk management & derivatives, Thomson South-Western Mason (2003) • Froot/Scharfstein/Stein: A Framework for Risk Management (JoACF, 1994) • Smith/Stulz: The Determinants of Firms’ Hedging Policies (JoFQA, 1985) • Further articles will be announced in class

Program: Master of Science in Management (full time, part time)

Module: Finance I / Finance

Course: Corporate Valuation

Credits: 3 (MSc), 4 (PTMSc)

Lecturer: Prof. Dr. Bernhard Schwetzler

<p>Learning objectives and outcomes</p>	<p>Participants of this course will get to know various valuation approaches and will learn how to appropriately apply them.</p> <p>The course discusses extensively the different versions of Discounted Cash Flow (DCF) models (WACC, FTE and APV approach) for the valuation of companies. Students will also get to know market-based valuation using multiples as well as valuation models for growth companies.</p>
<p>Content</p>	<p>The course focuses on the following topics:</p> <ul style="list-style-type: none"> • Introduction to Valuation • Discounted Cash Flow Valuation – the Standard WACC Model: Equity vs. Entity approach, determining free cash flow, cost of equity (CAPM) and cost of debt, weighted average cost of capital (WACC), determining terminal values, problems of the DCF-WACC model • Alternative Discounting Models: flow to equity (FTE) and adjusted present value (APV) • Valuation using Multiples: principles, enterprise value-based multiples, measuring the accuracy of multiple-based valuation • Special Issues in Valuation: Private Equity transactions, the M&A process <p>Students will be introduced to the various occasions for corporate valuation. The course will enable participants to choose the appropriate DCF approach depending on the given information. Advanced issues in valuation as the different debt management policies and their impact upon value and changes in the capital structure will be covered. Furthermore, students get to know multiple-based valuation and real option models for the valuation of growth companies, the pricing of Earn Outs and CVRs.</p>
<p>Teaching methods</p>	<p>The following teaching methods are applied (partly the usage depends on the number of participants):</p> <ul style="list-style-type: none"> • Interactive Lectures • Exercises • Case Study Work • Class Discussions • Assignments • Self Studies
<p>Conditions of participation</p>	<p>Admission to the HHL MSc Program.</p>
<p>Application, combination and frequency</p>	<p>The course is part of the elective module “Finance I” / “Finance” and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module. The course is held once a year.</p>

<p>Conditions for credit points and grades</p>	<p>Credit points are awarded for passing the module “Finance I” / “Finance”. The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Exam (50 %) and • Two case studies (25% each) <p>The grades range from 1 to 5.</p>
<p>Workload</p>	<p>The course Corporate Valuation accounts for 3 ECTS (4 ECTS), which are equivalent to a total workload of 90 hours (120), i.e. approx. 24 hours (32) of classes, 6 contact hours (8), and 60 hours (80) of preparation and self study.</p>
<p>Duration</p>	<p>The course extends over one term.</p>
<p>Literature</p>	<ul style="list-style-type: none"> • Koller/Goedhart/Wessels: Valuation, 4th ed. New York 2005. • Damodaran, A.: Investment Valuation, 2nd ed. New York 2002. • Further articles will be announced in class

Program: Master of Science in Management (full time)

Module: Finance II

Course: Seminar in Finance

Credits: 2

Lecturer: Prof. Dr. Bernhard Schwetzler

Learning objectives and outcomes	<p>The course will encourage participants to think critically in a variety of case settings.</p> <p>Case studies present a relatively risk-free environment with numerous opportunities for participants to change their views on how to manage a messy situation. They will apply basic concepts and principles in corporate finance to address financial issues in authentic, real-world situations.</p> <p>The course will improve the participants' skills in defining significant problems and sorting these from minor issues. Participants will work with peers to problem-solve and will enhance their analytical skills. The course will also improve their presentation skills to persuade the audience with their viewpoints.</p>
Content	<p>Students will work on a number of different cases covering the entire range of corporate financial decisions. The cases focus on the following topics:</p> <ul style="list-style-type: none"> • Corporate Valuation / investment decision • Capital structure / cost of capital • Dividend policy • Risk Management • M&A decisions / PE Industry <p>As the course covers all relevant areas of finance, students are recommended to have passed the elective courses risk management, corporate valuation and corporate finance.</p>
Teaching methods	Case study work and class discussions
Conditions of participation	Admission to the HHL MSc Program.
Application, combination and frequency	The course is part of the elective module "Finance II" and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module. The course is held once a year.
Conditions for credit points and grades	<p>Credit points are awarded for passing the module "Finance II". The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Case study work (100 %) <p>The grades range from 1 to 5.</p>
Workload	The course Seminar in Finance accounts for 2 ECTS, which are equivalent to a total workload of 60 hours, i.e. approx. 16 hours of classes, 4 contact hours, and 40 hours of preparation and self-study.

Duration	The course extends over one term.
Literature	Literature from other finance courses

Program: Master of Science in Management (part time)

Module: Finance

Course: Corporate Finance and Risk Management

Credits: 4

Lecturer: Prof. Dr. Bernhard Schwetzler

<p>Learning objectives and outcomes</p>	<p>The aim of this course is to provide students with the ability to structure and analyze complex problems in corporate finance. It will enable them to make rational investment and financing decisions. Further, the course is supposed to provide a thorough understanding of theoretical concepts and policies of risk management, enabling the participant to tackle complex real world problems.</p>
<p>Content</p>	<p>The course Corporate Finance and Risk Management mainly focuses on the following topics:</p> <ul style="list-style-type: none"> • Basics of Corporate Finance and Risk Management: Corporate Finance objectives, investors perspective, capital market efficiency, principal-agent theory • Capital structure and debt financing: debt and taxes, agency costs of debt, costs of financial distress, trade-off theory, defaultable bonds and credit risk spreads, leasing • Dividend Policy and Equity Financing: residual hypothesis of dividends, irrelevance theorem of Miller/Modigliani, dividends and taxes, dividends and share buybacks as signals, agency costs of equity, pecking order theory, corporate cash holdings, IPOs, Stulz model • Why should you manage the risk of a company: market imperfections, informational asymmetries • Explaining financial derivatives: futures, forwards, swaps and options • Using financial derivatives for risk management: 'hedging' and 'insuring', variance-minimizing hedging, reducing interest rate sensitivity using swaps, insuring with options <p>The introductory part gives an overview of different principal – agent relations within the firm and their impact upon financing, investment and payout decisions.</p> <p>The course also covers different theories of capital structure policies from the Modigliani/Miller irrelevance theorem to the pecking order model and the trade-off theory of optimal capital structures. Participants will be enabled to use different models to derive the optimal payout policy of a firm.</p> <p>Further, participants will be able to link risk management with the objectives of a corporation. They will be able to explain financial derivatives as forwards, futures, swaps and options and apply models to price these derivatives.</p> <p>Finally, participants will get to know the difference between hedging and insuring methods and their advantages and disadvantages. Furthermore, they learn how to use forwards/futures in order to realize a variance-minimizing hedge strategy and delta hedging strategies.</p>

Teaching Methods	<p>The following teaching methods are applied (partly the usage depends on the number of participants):</p> <ul style="list-style-type: none"> • Interactive Lectures • Case Study Work • Exercises • Assignments • Self-studies
Conditions of participation	Admission to the HHL MSc Program.
Application, combination and frequency	The course is part of the elective module Finance and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module. The course is held once a year.
Conditions for credit points and grades	<p>Credit points are awarded for passing the module Finance. The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Written exams (quizzes) (50 %) • Assignments (25%) and • Case study works (25 %) <p>The grades range from 1 to 5.</p>
Workload	The course Corporate Valuation accounts for 4 ECTS, which are equivalent to a total workload of 120 hours, i.e. approx. 32 hours of classes, 8 contact hours, and 80 hours of preparation and self-study.
Duration	The course extends over one term.
Literature	<ul style="list-style-type: none"> • Brealey, R./Myers, S.: Principles of Corporate Finance, 7th ed., New York 2003; • Copeland, T./Weston, J/Shastri, K: Financial Theory and Corporate Policy, 4th ed., Reading Ma. 2005 • Hull: Options, Futures and other Derivatives, 6th ed., Prentice Hall London (2005) • Stulz: Risk management & derivatives, Thomson South-Western Mason (2003)

Program: Master Program in General Management (MBA) (full time, part time)

Module: Business Fundamentals (Compulsory core module)

Course: Financial Management

Credits: 3 (MBA), 4,5 (PTMBA)

Lecturer: Prof. Dr. Bernhard Schwetzler

Learning objectives and outcomes	<p>The aim of this course is to provide a solid understanding of the theoretical foundations for financing and investment decisions of corporations.</p> <p>At the end of this course, participants should be able to understand the terminology and basic concepts underlying financial management. Furthermore, they grasp the conceptual framework underlying foundation topics in corporate finance including valuation techniques, investment and financing decisions. With this on hand they can analyze and solve fairly complex corporate finance and investment decisions.</p>
Content	<p>The course covers the most important decisions on corporate level: investment, financing and payout decisions. Therefore, it focuses on the following topics:</p> <ul style="list-style-type: none"> • Introduction: Corporate Goals and Corporate Finance • Valuation and Capital Budgeting: First Principles: Making Consumption and Investment Choices, Discounted Cash Flow Valuation, Net Present Value and Other Investment Rules, Making Capital Investment Decisions • Risk: Risk and Return - Lessons from Market History, Return and Risk - The Capital Asset Pricing Model (CAPM), Risk, Cost of Capital, and Capital Budgeting • Capital Structure and Dividend Policy: Capital Structure - Basic Concepts, Capital Structure - Limits to the Use of Debt, Dividends and Other Payouts
Teaching methods	<p>Interactive lecture, discussion, exercise sessions, case studies, and self-study.</p>
Conditions of participation	<p>Admission to the HHL MBA Program.</p>
Application, combination and frequency	<p>The course is part of the core module “Business Fundamentals” and can only be chosen in combination with all other courses of the module. The course is held once a year.</p>
Conditions for credit points and grades	<p>Credit points are awarded for passing the module “Business Fundamentals”. The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations. The weights of the single examinations are:</p> <ul style="list-style-type: none"> • Assignment 1 (Individual): 15% of overall grade • Assignment 2 (Individual): 15% of overall grade • Case Study (Group work): 20% of overall grade • Written Exam (Individual): 50% of overall grade <p>The grades range from 1 to 5.</p>

Workload	The course “Financial Management” accounts for 3 ECTS (4,5 ECTS), which are equivalent to a total workload of 90 hours (135), i.e. approx. 24 hours (36) of classes, 6 contact hours (9), and 60 hours (90) of preparation and self-study.
Duration	The course extends over one term.
Literature	<ul style="list-style-type: none">• Ross, Westerfield, Jaffe, Jordan (2008): Modern Financial Management. 8th Edition. McGraw-Hill International Edition.

Program: Master Program in General Management (MBA) (full time, part time)

Module: International Challenges (Compulsory core module)

Course: International Finance

Credits: 3

Lecturer: Prof. Dr. Bernhard Schwetzler

Learning objectives and outcomes	<p>The objective of the course is to provide an understanding of the benefits and risks that multinational firms face when dealing with international investment and financing decisions. Special attention is drawn to the measurement and management of foreign exchange risk.</p> <p>After this course, participants will be able to understand basic and advanced concepts of globalised capital markets.</p>
Content	<p>The course International Finance covers the following topics:</p> <ul style="list-style-type: none"> • Foreign Exchange Markets: Cross rates, arbitrage opportunities • International Parity Conditions: Law of one price, purchasing power parity, Fisher effect • Measuring FX Risk: Froot / Scharfstein / Stein model, types of exchange rate risk, value at risk, sensitivity analysis • Managing FX Risk - Tools and Strategies: Forwards, futures, options, swaps, 'hedging' and 'insuring', variance-minimizing hedging, reducing interest rate sensitivity using swaps, insuring with options
Teaching methods	A combination of lectures and discussion of case studies will be used.
Conditions of participation	Admission to the HHL MBA Program.
Application, combination and frequency	The course is part of the core module "International Challenges" and can only be chosen together with the courses of the module. The course is held annually.
Conditions for credit points and grades	<p>Credit points are awarded for passing the module "International Challenges". The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Final exam (60 %) • Case study (40 %) <p>The grades range from 1 to 5.</p>
Workload	The course "International Finance" accounts for 3 ECTS, which are equivalent to a total workload of 90 hours, i.e. approx. 24 hours of classes, 6 contact hours, and 60 hours of preparation and self-study.
Duration	The course extends over one term.
Literature	<ul style="list-style-type: none"> • Shapiro C., Allen (2010) Multinational Financial Management, 9th ed.

Program: Master Program in General Management (MBA) (full time)

Module: Managing Investors (Elective module)

Course: Corporate Valuation

Credits: 3

Lecturer: Prof. Dr. Bernhard Schwetzler

<p>Learning objectives and outcomes</p>	<p>Participants of this course will get to know various valuation approaches and will learn how to appropriately apply them.</p> <p>The course discusses extensively the different versions of Discounted Cash Flow (DCF) models (WACC, FTE and APV approach) for the valuation of companies. Students will also get to know market-based valuation using multiples as well as valuation models for growth companies.</p>
<p>Content</p>	<p>The course focuses on the following topics:</p> <ul style="list-style-type: none"> • Introduction to Valuation • Discounted Cash Flow Valuation – the Standard WACC Model: Equity vs. Entity approach, determining free cash flow, cost of equity (CAPM) and cost of debt, weighted average cost of capital (WACC), determining terminal values, problems of the DCF-WACC model • Alternative Discounting Models: flow to equity (FTE) and adjusted present value (APV) • Valuation using Multiples: principles, enterprise value-based multiples, measuring the accuracy of multiple-based valuation • Special Issues in Valuation: Private Equity transactions, the M&A process <p>Students will be introduced to the various occasions for corporate valuation. The course will enable participants to choose the appropriate DCF approach depending on the given information. Advanced issues in valuation as the different debt management policies and their impact upon value and changes in the capital structure will be covered. Furthermore, students get to know multiple-based valuation and real option models for the valuation of growth companies, the pricing of Earn Outs and CVRs.</p>
<p>Teaching methods</p>	<p>The following teaching methods are applied (partly the usage depends on the number of participants):</p> <ul style="list-style-type: none"> • Interactive lectures • Exercises • Case study work • Class discussions • Assignments • Self-studies
<p>Conditions of participation</p>	<p>Admission to the HHL MBA Program.</p>
<p>Application, combination and frequency</p>	<p>The course is part of the elective module “Managing Investors” and can only be chosen in combination with all other courses of the module. The contents are matched with the other lectures within the module Finance. The course is held once a year.</p>

<p>Conditions for credit points and grades</p>	<p>Credit points are awarded for passing the module “Managing Investors”. The module is passed if the weighted average of the single grades of the courses is 4,0 or better. The grade of the course is determined by the weighted average of the single grades of the examinations.</p> <p>The course contains the following examinations:</p> <ul style="list-style-type: none"> • Exam (50 %) • Case study (50%) <p>The grades range from 1 to 5.</p>
<p>Workload</p>	<p>The course Corporate Valuation accounts for 3 ECTS, which are equivalent to a total workload of 90 hours, i.e. approx. 24 hours of classes, 6 contact hours, and 60 hours of preparation and self-study.</p>
<p>Duration</p>	<p>The course extends over one term.</p>
<p>Literature</p>	<ul style="list-style-type: none"> • Koller/Goedhart/Wessels: Valuation, 4th ed. New York 2005. • Damodaran, A.: Investment Valuation, 2nd ed. New York 2002. • Further articles will be announced in class