



Corporate Finance

Learning Outcomes

- How the finance function is organised
Who are the stakeholders and what are their objectives
How corporate governance helps to ensure that businesses are managed with integrity
- How the prices of corporate securities are determined by market forces
- What sources and types of finance are available to businesses
- Procedures for issuing share capital
- How to estimate the cost of capital for a business
Techniques for appraising new investment decisions
- The application of investment appraisal techniques in a range of business situations
- The importance of working capital
- How the elements of working capital can be managed more efficiently

Assessment/ Reading References

Final Exam

Atrill, Peter. Maclaney, Eddie. Management Accounting for Non-Specialists. 3rd edition. (2002)

Brealey, R., A., Myers, S., C., Principles of Corporate Finance. 6th edition (2006)

Course Contents

Introduction to Corporate Finance. The organization structure of the finance function. Private sector financial objectives, stakeholder conflict. Corporate Governance in the UK.

Capital markets, risk and return, the efficient market theory. Capital market securities; shares, bonds and derivatives, and how they are priced in the market.

Financing the business, sources of finance, matching finance with assets and activities. Forecasting financing needs, operating and financing gearing, initial public offerings, fixed price, tender issues, bonus issues, stock splits.

The cost of capital. Cost of debt, cost of equity (dividend valuation model and the capital asset pricing model), weighted average cost of capital.

Capital investment appraisal, comparison of appraisal techniques, ARR, Payback, NPV, IRR. Relevant cashflows, the effect of taxation, adjusting for inflation.

Management of working capital, the operating cycle, overtrading and overcapitalization. Cash budgeting, inventory control, receivables management techniques, using trade credit, overdraft and other short-term financing arrangements.

Risk Management, Value at Risk (VAR). Even before recent problems in the banking system, Risk Management was considered a very key responsibility and critical skill for professionals working in finance.

Lecturer: Andre Lanser

Andre qualified as a Chartered Accountant, completing articles with PricewaterhouseCoopers. He started his career with a subsidiary of Commercial Union, involved in the steel manufacturing industry. His career then spanned over 12 years in the Venture Capital and Private Equity arena, where he has gained a vast amount of experience in the corporate analysis and valuation field.

Apart from lecturing Andre has extensive experience delivering training in finances as well as a corporate finance practitioner. He has delivered courses for business schools and banks around the world – Santander, Fortis, Standard Chartered etc. in the areas of Credit, Corporate Finance, Valuation and Financial Modelling

Andre produces and delivers accounting and investment related courses online and on campus for LSBF.

