UNIVERSITY OF MANAGEMENT AND ECONOMICS

APPROVED BY
THE STUDY COMMISSION
Minutes No. 02-12-2026-14
as of 24th August 2026

ADVANCED CORPORATE FINANCE

Course code	*GRAV013*
Course title	*Advanced Corporate Finance*
Type of course	*Compulsory*
Level of course	*Graduate*
Year of study	*1st*
Number of credits	*6 ECTS (36 hours of class work, 124 hours of self-study, 2 hours of consultations (distant or direct form)*
Lecturer	*Associate Professor François Rey,* frarey@faculty.ism.lt
Prerequisites	*none*
Teaching language	*English*

THE AIM OF THE COURSE

The aim of this course is to provide students with an advanced understanding of corporate financial decision-making and the analytical tools used by corporate managers and executives in order to maximize firm value. The course will discuss theoretical concepts in real-world corporate finance situations in particular through case studies and student group presentations.

Upon completion of the course, students should be able to:

- Interpret and evaluate corporate financial statements to assess a firm's financial performance, liquidity, profitability, and solvency. Apply standard financial statement analysis techniques to identify strengths, weaknesses, risks, and opportunities in a company's financial position.
- Assess corporate value using advanced valuation methodologies, including comparable traded company analysis, comparable transactions, and discounted cash flow (DCF) valuation based on financial models and forecasts.
- Evaluate the merits of debt financing (corporate bonds or bank debt) versus equity financing in different business contexts, and analyze capital structure decisions including dividends and share buybacks.
- Evaluate investment opportunities taking into considerations qualitative parameters and also quantitative techniques such as net present value, internal rate of return, profitability index, etc

MAPPING OF COURSE LEVEL LEARNING OUTCOMES

Course level learning outcomes (objectives)	**Degree level learning objectives (Number of LO)**	**Assessment methods**	**Teaching methods**
CLO1. Strengthen familiarity with financial statements in English	LO1.1 LO3.1 LO5.1	Written mid-term exam	Prepared slides, Case-based instructions, AI prompts to validate and quantify relevant financial analysis
CLO2. Improve financial analysis skills on financial statements	LO1.1 LO3.1	Written mid-term exam	Prepared slides, Case-based instructions, AI prompts to validate and quantity relevant financial analysis
CLO3. Become comfortable in valuing companies using valuation multiples calculated on comparable traded companies	LO1.1 LO3.1 LO5.1	Written mid-term exam	Prepared slides, Case-based instructions, AI prompts to validate and quantity relevant financial analysis
CLO4. Be comfortable with the concept and calculation of weighted cost of capital	LO1.1 LO3.1 LO5.1	Written and final exams	Prepared slides, Case-based instructions, AI prompts to validate and quantity relevant financial analysis
CLO5. Become comfortable in valuing companies using cash flow projections	LO1.1 LO3.1 LO4.1	Written final exam	Financial modeling exercises; Prepared slides, Case-based instructions, AI prompts to validate and quantify relevant financial analysis
CLO6. Be able to assess and compare the attractiveness of corporate investment	LO1.1 LO3.1 LO5.1	Written final exam	Financial modeling exercises; Prepared slides, Case-based instructions, AI prompts to validate and quantify relevant

opportunities			financial analysis
CLO7. Be able to research, summarise and present to the class a group assignment on either an important corporate finance transactions or a comparative financial analysis of 3 competitors in a given sector	LO3.1 LO5.1 LO6.1	Group presentations to the entire class	Pitch coaching; Team-based project work; Peer feedback

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

AI USE POLICY

The use of artificial intelligence (AI) tools is encouraged throughout this Advanced Corporate Finance course. Towards the end of each class session or, occasionally, during these sessions, students will be invited to use AI applications to i) investigate the practical relevance and applicability of concepts and models discussed in class; and ii) obtain a rapid assessment of current market levels observed on selected corporate finance indicators and parameters (e.g., valuation multiples, leverage ratios, cost of capital estimates, M&A premiums).

These AI-generated findings will be discussed in class, both in terms of methodologies and levels, and the professor will help organize and take away some key learnings.

Students are expected to use AI responsibly, recognizing both its value as a research and analytical tool and its limitations in terms of accuracy, reliability, and source verification.

Course Content

DATES	TOPIC	IN-CLASS HOURS	SUGGESTED READINGS
Classes 1	**Theme 1 : Corporate finance issues on financial statements** • Issues of development, profitability, investments, leverage, investor relationships, company valuation • Application through exercises	4	Instructor's course slides Relevant chapters in any of the recommended textbooks
Classes 2-3	**Theme 2 : Analysis of financial statements and market valuations** • Analysis of profitability (income statement), financial strength (balance sheet), and cash collection (cash flow statement) • Analysis of market valuation multiples • Application through exercises	8	Instructor's course slides Relevant chapters in any of the recommended textbooks
Class 4	**Theme 3 : Company valuation based on comparable traded companies** • Discussion on comparable companies • Most relevant corporate valuation multiples • Application through exercises	4	Instructor's course slides Relevant chapters in any of the recommended textbooks
Class 5	**Theme 4 : Cost of capital for companies** • Cost of debt and equity • Respective weights in capital structure • Weighted average cost of capital **Mid-term assignment on a case study**	4	Instructor's course slides Relevant chapters in any of the recommended textbooks
Class 6	**Theme 5 : Company valuation based on Discounted Cash Flows** • Free cash flows • Cash Flow Projections • Terminal value	4	Instructor's course slides Relevant chapters in any of the recommended textbooks

	• Discount rate and weighted average cost of capital • Application through exercises • Student group presentations		
Class 7-8	**Theme 6 : Other major corporate finance decisions**: • Issuance of corporate bonds : objectives, structuring, equity convertibility option, valuation • Considerations on becoming a publicly traded company • Dividend policy • Application through exercises • Student group presentations	8	Instructor's course slides Relevant chapters in any of the recommended textbooks
Class 9	**Theme 7 : Corporate investment decisions** • Cash-flow forecasting • Investment selection parameters and indicators : present value, Internal rate of return, required rate of return, payback period, profitability index**:** • Application through exercises • Student group presentations	4	Instructor's course slides Relevant chapters in any of the recommended textbooks
	Final exam		
		Total: 36 hours	
	CONSULTATIONS	2	
	FINAL EXAM / PROJECT	2	

FINAL GRADE COMPOSITION

Group Components 30 %	**30%**
Group presentation of about 15-20 mn (3-4 students per group)	30%
Individual Components 70 %	**70%**
• Written mid-term exam: case study on a company considering fundraising alternatives and a possible IPO	30%
• Written final exam: Series of short exercises and questions on all topics covered (except IPO)	40%
Total:	**100**

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

The group presentations will need to include two parts:

- Mainly, a major international benchmark corporate finance transaction (e.g. IPO or acquisition, over the past 5 years) or a comparative financial analysis of 3 listed companies in a given industry sector: presentation of the activities of these companies, review/comparison of business models, of financial statements (operating performance, leverage, comparison - and comments - of market valuation with at least 2 valuation multiples: Price-to-book and PE ratio)
- Secondarily, a recent press article in English related to corporate finance, broadly defined

Students will be graded based on the quality of their slides (contents and the way they are presented), on the accuracy and indebtedness of their financial analysis, on the level of interest they will be able to raise amongst fellow students, and also on their ability to conclude by putting their cases into a wider perspective.

RETAKE POLICY

Students who receive a failing final grade shall have the right to re-take the exam, which will comprise 40% of the final grade and will include all semester material. Mid-term and group presentation assignments cannot be retaken at a later time, and these grades will be calculated into the final grade.

REQUIRED READINGS

Students will be asked first and foremost to read and review the powerpoint course materials prepared by the professor and made available on the school's intranet. At the end of each class, the professor will clearly indicate the sections to be read ahead of the following class.

ADDITIONAL READINGS

In addition, students are invited to refer to the following three recommended textbooks of reference:

- Brealey R., Myers S.; Allen F., Edmans A. (2022). Principles of Corporate Finance, McGraw-Hill Irwin
- Berk J., Demarzo, Harford J. (2022), Fundamentals of corporate finance, 5th Edition, Pearson
- Ross S., Westerfield R., Jordan B, (2024), Essentials of corporate finance, 11th Edition, McGraw Hill

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ANNEX

DEGREE LEVEL LEARNING OBJECTIVES

Competency goals and learning objectives for Master of Business Management

Programmes:
Global Leadership and Strategy
Innovation and Technology Management
International Marketing and Management

Competency Goal	Learning Objectives
Students will demonstrate advanced disciplinary knowledge.	LO1.1. Students will demonstrate advanced discipline knowledge through the independent development of a Master's thesis, showing a deep understanding and appropriate application of theories, concepts, and methods relevant to their field of study.
Students will be digitally competent.	LO 2.1. Students will demonstrate digital agility competencies by selecting and applying appropriate tools, platforms or technologies, integrating digital insights into business decision-making, and adapting digital approaches in response to evolving project requirements and contextual changes.
Students will be critical thinkers	LO3.1. Students will be able to define the business problem and develop **innovative solutions**
	LO3.2. Students will be able to demonstrate **critical thinking** in problem solving
Students will be independent learners	LO4.1. Students will become **independent learners** and develop their own comprehension of scientific theories, models, and concepts.
Students will be socially responsible leaders	LO5.1. Students will be able to evaluate past and current practices in their discipline from an ethical perspective.
Students will be effective communicators	LO6.1. Students will develop and deliver a coherent oral presentation
	LO6.2. Students will develop and deliver a coherent written research paper

Competency goals and learning objectives for the Master of Social Science

Programmes:
Financial Economics

Competency Goal	Learning Objective
Students will demonstrate advanced disciplinary knowledge.	LO1.1. Students will demonstrate advanced discipline knowledge through the independent development of a Master's thesis, showing a deep understanding and appropriate application of theories, concepts, and methods relevant to their field of study.
Students will be digitally competent.	LO 2.1. Students will demonstrate digital agility competencies by selecting and applying appropriate tools, platforms or technologies, integrating digital insights into business decision-making, and adapting digital approaches in response to evolving project requirements and contextual changes.
Students will be critical thinkers	LO3.1. Students will be able to identify underlying assumptions, limitations of previous research; evaluate managerial solution alternatives.
Students will be independent learners	LO4.1. Students will become **independent learners** and develop their own comprehension of scientific theories, models, and concepts
Students will be socially responsible leaders	LO5.1. Students will be able to evaluate past and current practices in their discipline from an **ethical perspective**.
Students will be effective communicators	LO6.1. Students will develop and deliver a **coherent oral presentation**
	LO6.2. Students will develop and deliver a **coherent written research paper**