BOOK
Master Level 2
MSc in Corporate Finance & Banking
FINANCIAL ECONOMICS
ACADEMIC YEAR 2016-2017
# MASTER 2 FINANCIAL ECONOMICS - MSc in CORPORATE FINANCE & BANKING

## SEMESTER 1 - Major in Financial Management

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## SEMESTER 2 - Major in Financial Management

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## SEMESTER 2 - Major in Financial Intermediation

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* replaced by Research Seminar for Student Research Team

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17_M2_NI_CFB_S1SEM_4374: TAKE OWNERSHIP OF YOUR ACADEMIC ENVIRONMENT

NUMBER OF HOURS: 2
SEMESTER 1
INTERNATIONAL PROGRAMME - 0 ECTS
COURSE COORDINATOR: Jerémie LANIEZ

COURSE OBJECTIVES

This course aims at giving the newcomer students the basic knowledge to use the computers properly on the campus, especially for foreign students.

LEARNING OUTCOMES

After having taken this course participants will be able to use:

1. Windows and the French keyboard
2. Blackboard and Aurion
3. Excel’s basics
4. Matlab’s basics

COURSE CONTENT

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<td>Matlab</td>
<td>Getting started with Matlab &amp; what you can do, language settings.</td>
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TEACHING & LEARNING METHODS

The sessions will be carried out in a computer room.
17_M2_NI_CFB_S1_SEM_4375: PREPARING YOURSELF FOR LEARNING WITH CASES

NUMBER OF HOURS: 4
SEMESTER 1
INTERNATIONAL PROGRAMME - 0 ECTS
COURSE COORDINATOR: Penny JARVIS

COURSE OBJECTIVES

This course enables students to understand the relevance of the case study methodology both in class work and future recruitment scenarios. It Teaches the theory and enables students to practice one or more case studies

The objective is:

1. Provide an overview of the theory of case studies
2. Prepare students so that they perform to their highest ability during case study projects
3. Explain the use of case studies in future recruitment

LEARNING OUTCOMES

After having taken this course participants should be able to:

- Understand how to read the case study efficiently
- Employ critical reasoning to analyse case studies
- Understand how to write up case study reports
- Understand how to impress future recruiters by being able to perform well in case study exercises

PREREQUISITES

Students should recognize the importance of this course in preparing them for case study use in the classroom

They should pre-watch the HBR video explaining the theory of case studies before the course

COURSE CONTENT

The Case Study

- Introduction to the course: 10 mins
- Introduction to the Case Study Method: 30 mins
- Critical Reasoning: 20 mins
- Introduction to Case Study 1: 20 mins
- The Case Study 1 Group Work: 30 mins
- The Case Study 1 Plenary Session: 30 mins
- The Case Study 1 Review: 20 mins
- Case Study Writing Up: 20 mins
- Case Study 2 (Recruitment): 30 mins
- Case Study 2 Presentation: 30 mins
TEACHING & LEARNING METHODS

Teaching Method- Action Learning (theory, practice, then feedback)

ASSESSMENT METHODS

None

READINGS

HBR class notes on Blackboard
17_M2_NI_CFB_S1_SEM_2742: INTERCULTURAL SEMINAR

NUMBER OF HOURS: 9
SEMESTER 1
INTERNATIONAL PROGRAMME - 0 ECTS
COURSE COORDINATOR: Anne WITTE

COURSE OBJECTIVES

This seminar aims at building cultural awareness and developing the cognitive and behavioural abilities to communicate effectively across cultures particularly for students pursuing careers in finance. Four learning objectives are pursued:

- Become acquainted with key thinkers of intercultural communication (Hall & Hofstede)
- Gain practical experience with diversity by working in international teams effectively and productively
- Question stereotypes through heightened cultural awareness
- Practice coping strategies when confronted with unfamiliar cultural environments

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Use effective "code-switching" strategies appropriate for international assignments and multicultural interactions
- Adapt personal communication habits to appropriate international norms
- Use theoretical models of culture to recognize, anticipate and deal with cultural differences with empath

PREREQUISITES

Three years of general business courses or Bac + 3 Business Administration.

Proficiency in English

A background communication course can be helpful

COURSE CONTENT

Session 1  - Language, Stereotypes and diversity in the workplace/The Meaning Market Simulation

Reading  Chi –yue Chiu, Language and Culture, Online readings in Psychology and Culture, 4(2), http://dx.doi.org/10.9707/2307-0919.1098; See also the “Implicit Assumptions” online self-test available at Harvard University, https://implicit.harvard.edu.

Session 2  - Explicit categories of culture at work: The Randomia Balloon Factory Simulation


Session 3 - Implicit categories of culture: Diversity.

Reading  Dimensionalizing Cultures: The Hofstede Model in Context. Online Readings in Psychology and culture , 2, (1) http://dx.doi.org/10.9707.0919.1014
TEACHING & LEARNING METHODS

Seminar style interaction, games and self-discovery exercises

ASSESSMENT METHODS

Final Quiz 100% (one hour)

Bonus and penalty points may be added for exceptional performance during the simulations or absences from class.

READINGS

NUMBER OF HOURS: 30
SEMESTER 1
INTERNATIONAL PROGRAMME - 0 ECTS
COURSE COORDINATOR: Fabrice RIVA

COURSE OBJECTIVES

This course is open to students selected in the Student Research Team where they will be supervised in a challenging research undertaking. The aim of this hands-on “learning by doing” course is to teach students how to conduct rigorous, original empirical research in finance. We will focus on the following skills:

- How to identify important, timely, and topical research questions
- How to review previous literature on this issue
- How to structure, organize, and present the report
- How to find and collect the necessary data
- How to design empirical tests that are relevant to the research question.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Identify research questions that: are timely create novel insights relative to existing literature are relevant for business and public policy
- Create appropriate empirical designs to answer research questions. This involves Developing testable hypotheses Identifying an appropriate data set Choosing proper methodologies Implementing statistical tests Correctly interpreting the results.
- Write a research report and make a research presentation that follows accepted standards in the financial analysis.

COURSE CONTENT

The first 21 hours of classroom instruction and about 6 hours of student presentations will take place in fall 2016. The remaining hours will take place in winter 2017. In this second part of the seminar, classes will take place on a monthly basis in smaller but more focused groups so as to favour interactions. We will discuss issues related to the research question and literature, the methodology and data, the interpretation of the results, the way the final paper should be structured, among others. We will also hold individual discussions as needed.

<table>
<thead>
<tr>
<th>Topic N°</th>
<th>Course content</th>
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</thead>
<tbody>
<tr>
<td>FALL SEMESTER</td>
<td></td>
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<tr>
<td>1</td>
<td>Introduction to the format and process of this course Introduction to Research in Finance</td>
</tr>
<tr>
<td></td>
<td>- How to identify a research question</td>
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<td></td>
<td>- Key elements of research in finance.</td>
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<td></td>
<td>- Identify appropriate methodologies.</td>
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<td></td>
<td>- Methods of problem solving.</td>
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<tr>
<td></td>
<td>- Analyzing existing literature</td>
</tr>
</tbody>
</table>
| 2 | **Databases available at EDHEC and other information**  
• Sources of information and data.  
• Common problems, e.g. survivorship bias (e.g., Hedge fund data), cosmetic biases due to ex post revisions (e.g., IBES)  
• Other common problems with data.  
Date import, cleaning and formatting using Excel and VBA |
| 3 | **Introduction to statistical softwares**  
• R  
• Stata |
| 4 | **Application #1: Diff-in-diffs**  
• Diff-in-diff methodology  
• Hands-on: replication of Card and Krueger (AER, 1994) |
| 5 | **Application #2: Asset pricing tests**  
• Asset pricing test methodologies  
• Hands-on: Fama-French 3-factor model |
| 6 | **Application #3: Event studies (part I)**  
• Event study methodology: layout, return-generating processes, test statistics |
| 7 | **Application #3: Event studies (Part II)**  
• Hands-on: market reaction to dividend announcements |

**TEACHING & LEARNING METHODS**

This course involves a variety of different instructional methods. In the beginning, there will be several lectures where we will discuss the basics of financial research from identifying a topic to interpreting the results. Then we will present standard financial databases available at EDHEC. Next, techniques will be applied to actual data as published empirical studies will be replicated in class. Students will have to present their thesis' research question, the literature it fits in, necessary data and required methodology.

**ASSESSMENT METHODS**

This course will be graded on a pass/fail scale. To pass the course, active participation in class is required and students will be asked to replicate an empirical study as part of their homeworks. Students will also have to present a brief talk on three issues related to their thesis: the research question, the literature, data requirements for replication, and methodological/statistical methods required for replication. To obtain a passing grade for the course students should:

1. turn in presentation slides by email **before** the presentation, covering each of the three areas (topic, data, methods)  
2. demonstrate competency when conducting their own presentation  
3. attend the other students' presentations.
**17_M2_NI_CFB_S1_CCO_764: FINANCIAL MODELING WITH EXCEL**

**NUMBER OF HOURS:** 15  
**SEMESTER 1**  
**INTERNATIONAL PROGRAMME - 1.5 ECTS**  
**COURSE COORDINATOR:** Liu JING

**COURSE OBJECTIVES**

This course is for Excel users who need to design, build and disseminate professional financial models within organizations.

“Financial Modeling with Excel” builds on advanced Excel features and functions with a view to producing financial statements, performance scorecards, or spreadsheets to analyze business and support decision.

Typical situations involving modeling techniques include:

- Business plans for start-ups;
- Business forecast for established business;
- Project financing;
- Investment decisions;
- Mergers & acquisitions;
- Leverage buyouts;
- Corporate restructuring.

**LEARNING OUTCOMES**

After having taken this course participants will be able to:

- Analyze financial problems, sift through complex data sets and decide on model design options;
- Create spreadsheet models and dashboards that represent variables and logical and quantitative relationships between them;
- Apply judgment on model output, present & defend alternatives, and make business recommendations to senior management.

**PREREQUISITES**

As a prerequisite, students should be familiar with Excel and financial analysis concepts. However, exercises will provide ample opportunities to review financial statements, and corporate finance notions in valuation, CAPEX/Depreciation, Working Capital, Equity accounts, Debt/Amortization, Tax, and Cash Flows.

**COURSE CONTENT**

<table>
<thead>
<tr>
<th>Module N°</th>
<th>Course content</th>
<th>Delivery Mode &amp; Timing</th>
</tr>
</thead>
</table>
| 1         | Introduction; Financial models and analytical frameworks in modeling;  
           | Financial model basic structure;  
           | Introduction; Financial models and analytical frameworks in modeling; | • In-class  
           | • In-class  
           | • Sep. 10 & 11, 2015  
           | • No preparatory work required |
## Preparing for Modeling

- 10 Key steps in financial modeling;
- Phase 1: Identifying the problem: Mixing technique with business acumen;
- Phase 2: Building the supporting model: Modeling beyond gut feeling;
- Blending art & technique in spreadsheet design;
- Best Practices in Financial Modeling

### Advanced Excel Features

- Absolute, Relative & Mixed Cell References;
- Using Names in Formulas;
- Data Tables;
- Goal Seek & Solver;
- Conditional Formatting;
- Charts & Dashboards;
- Excel built-in functions:
  - Financial Functions (PV, FV, IRR, NPV...);
  - Logical Functions (IF, AND, OR, nested IFs...);
  - Date & Time Functions (EDATE, EOMONTH...);
  - Reference Functions (LOOKUPS, INDEX, MATCH...);

### Financial Models in Action

- Self-contained models: Computing CAGR, Break-Even, Loan Amortization Schedule, Debt Retirement Table, Leases, CAPEX & Depreciation, and Operating Cash Flow Planning…
- Designing Financial Statements for a young venture;
- Valuation models: DCF, CAPM, etc. in project management or M&A situations.

### TEACHING & LEARNING METHODS

- **Module 1:** Lectures
- **Module 2:** Self-paced e-learning exercises
- **Module 3:** In-class exercises

### ASSESSMENT METHODS

**Group Assignment:** 100%

### READINGS

COURSE OBJECTIVES

Economic activity is embedded in corporations that host and develop it pursuant to specific organisational rules. These corporations have to finance that activity in a liquidity crisis context, offering various rights and guarantees to their shareholders and creditors in consideration for their investments.

This course has a place in a general context were the future managers of companies need to be polyvalent. Leading projects and deals is no more just a question of finances but involves many legal notions and principles which are good to understand in order to be able to follow projects from the beginning to the end.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Know the different business structures and their particularities;
- Know the main points important to check while dealing (due diligence, tax issues, prospectus for example);
- Be able to apply this knowledge on real situations (selecting a business structure, leading a deal by considering also the legal point of view, understanding a prospectus...);
- Understand the importance of mastering finances with some elements of Law and understanding that both are constantly interacting.

PREREQUISITES

Some knowledge on Corporate Law could be an asset.

COURSE CONTENT

<table>
<thead>
<tr>
<th>Lesson N°</th>
<th>CONTENT</th>
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<tbody>
<tr>
<td>1</td>
<td>Lecture:</td>
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<tr>
<td></td>
<td>Various business structures (incorporations and characteristics)</td>
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<td>Corporate governance (interests at stake, rights and obligations)</td>
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<tr>
<td>2</td>
<td>Case study on the first session</td>
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<td></td>
<td>Lecture on Fund raisings – Section 1</td>
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<tr>
<td></td>
<td>• The various categories of financial instruments (debt/equity/complex) and related corporate law mechanisms</td>
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<tr>
<td></td>
<td>Preparatory readings of the slides of the course and of the corresponding section of the recommended reading</td>
</tr>
</tbody>
</table>
| 3 | Case study on the second session  
Lecture on Fund raisings – Section 2  
• Public offering, admission to trading and their legal consequences  
Preparatory readings of the slides of the course and of the corresponding section of the recommended reading |
|---|---|
| 4 | Case study on the third session  
Lecture on M&A – Section 1  
Preparatory readings of the slides of the course and of the corresponding section of the recommended reading |
| 5 | Case study on the fourth session  
Lecture on M&A – Section 2  
Preparatory readings of the slides of the course and of the corresponding section of the recommended reading |

**TEACHING & LEARNING METHODS**

Teaching methods: There will be 5 sessions of three hours taught by a professional lawyer.

Learning Methods: Readings, cases and oral interventions.

**ASSESSMENT METHODS**

- 1/3 of the grade based on participations in class and;
- 2/3 of the grade based on final exam at the end of the term.

**READINGS**

**Compulsory:** PPT slides posted on blackboard

COURSE OBJECTIVES

With the swift growth of international trade and cross-border direct and financial investments, globalization has become a key feature of the current world. Hence, this course is meant to provide students with a good knowledge of the tax implications of doing business internationally.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- assimilate and understand the main international tax rules; (LO1)
- on occasion, apply these rules in different geographic, business, and legal environments; (LO2)
- possibly, contribute to the conception and implementation of creative tax planning solutions. (LO3)

PREREQUISITES

None

COURSE CONTENT

FIRST SESSION: SEQUENCE I OF COURSE : BASIC CONCEPTS

A) Different business forms:

- Sole proprietorships
- Corporations
- Branches
- Partnerships

B) International tax vs. purely domestic tax

- Taxation of earnings
- Taxation of distributions
- Taxation of capital gains

C) Conflicts of taxing jurisdictions

- Residence vs. source of income
- Residence vs. residence
D) Tax treaties
   - Bilateral treaties
   - OECD Model
   - UN Model

E) Residence of corporations
   - Place of incorporation vs. place of effective management

F) Source of income
   - Dividends
   - Interests
   - Personal services
   - Royalties
   - Rentals
   - Sale of personal property
   - Tangible vs. intangible property

RECOMMENDED READING: OECD Model Tax Convention, Article 4 §1 and §3.

SECOND SESSION: SEQUENCE II OF COURSE: TAXATION OF DIFFERENT BUSINESS FORMS

A) Taxation of corporations (parent and subsidiary)

1) Taxation in a purely domestic situation
   - a) Interest payments
   - b) Dividend distributions
   - c) Royalties
   - d) Sale of stock

2) Taxation in an international situation without tax treaty between the countries involved
   - a) Interest payments
   - b) Dividend distributions
   - c) Royalties
   - d) Sale of stock

3) Taxation in an international situation with tax treaty between the countries involved
   - a) Interest payments
   - b) Dividend distributions
   - c) Royalties
   - d) Sale of stock

4) Taxation within the European Union (or the European Economic Area)
• a) EU vs. EEA and the Single Market
• b) Interest payments
• c) Dividend distributions
• d) Royalties

RECOMMENDED READING: OECD Model Tax Convention, Article 10 §1 and §2; Article 11 §1 and §2; Article 13 §5.

THIRD SESSION: SEQUENCE II OF COURSE (Continued)

B) Taxation of branches (corporation and branch)

1) Taxation in a purely domestic situation
   • a) Earnings
   • b) Transfers of earnings
   • c) Sale of branch

2) Taxation in an international situation without tax treaty between the countries involved
   • a) Earnings
   • b) Repatriation of earnings
   • c) Sale of branch

3) Taxation in an international situation with tax treaty between the countries involved
   a) Earnings
      • Taxation without vs. with permanent establishment
      • b) Repatriation of earnings
      • c) Sale of branch

4) Taxation within the European Union (or the European Economic Area)
   • a) Repatriation of earnings

C) Comparison: subsidiary vs. branch

RECOMMENDED READING: OECD Model Tax Convention, Article 5 §1, §2, and §6; Article 7 §1; Article 21 §1.

FOURTH SESSION: SEQUENCE II OF COURSE (Continued)

D) Taxation of partnerships (corporate partners and partnership)

1) Taxation in a purely domestic situation

2) Taxation in an international situation
SEQUENCE III OF COURSE: TAXATION OF GROUPS

A) Taxation in a purely domestic situation

1) Consolidation
   
   - a) Conditions
   - b) Consequences
   - c) LBOs

B) Taxation in an international situation

1) Consolidation?
2) LBOs

RECOMMENDED READING: OECD Model Tax Convention, Article 5 §1 and § 2.

FIFTH SESSION: SEQUENCE IV OF COURSE: TAXATION OF CORPORATE REORGANIZATIONS AND LIQUIDATIONS

A) Taxation in a purely domestic situation

1) Reorganizations

   Acquisitive vs. divisive reorganizations
   
   - a) Mergers
   - b) Stock for stock reorganizations
   - c) Spin-offs
   - d) Split-ups

2) Liquidations

B) Taxation in an international situation

1) Reorganizations

   - a) Mergers
   - b) Stock for stock reorganizations
   - c) Spin-offs
   - d) Split-ups

2) Liquidations
SIXTH SESSION: SEQUENCE V OF COURSE: MISCELLANEOUS TAX PLANNING STRATEGIES AND SOME LIMITS

A) Use of low tax jurisdictions
   But possible taxation of undistributed earnings of subsidiaries

B) Use of tax treaties
   But anti-treaty shopping provisions

C) Use of transfer prices
   But arm's length principle

D) Use of hybrid financial instruments

RECOMMENDED READING: OECD Tax Model Convention, Article 26, Article 7 §2, and Article 9 §1.

TEACHING & LEARNING METHODS
This course will be conducted on a highly interactive basis, with strong student participation expected.

ASSESSMENT METHODS
100% final exam (1.5 hour) in December. LO1, LO2, and possibly LO3 will be evaluated

READINGS
Introduction to the OECD Model Tax Convention (available on the OECD website).
The objective of this course is to ensure a deeper understanding of companies’ economics and financial performance and to better assess their true economic value. Beyond financial statements and traditional financial analysis ratios, the deep understanding of a company’s business model and economics should drive the necessary restatements of the financial accounts to better reflect its economic reality and determine the real return on capital invested, the real growth in capital invested and the risk (which all three drive the economic value of any asset).

The course discusses the various steps of analysing a company: first understanding its business model and economics; how these are reflected in its financial statements and pictured by classic profitability and valuation ratios; trying to improve these ratios by making the appropriate and most relevant adjustments to the accounts; listing a number of typical accounting biases distorting the picture in main economic sectors.

This course also provides understanding of the credit risk analysis methods. Participants will learn to use a structured and systematic approach to assess creditworthiness of a borrower, quantify Expected Loss in case of default, and structure a transaction to mitigate this risk. Besides fundamental analysis, this will include a presentation of rating methodologies, a transaction analysis to understand the risks attached to different financial products and a review of the main structuring techniques.

The above will be illustrated by a number of company and sector examples and will be directly experienced by students through practical cases.

### LEARNING OUTCOMES

After having taken this course participants will be able to:

- Conduct a thorough financial analysis based on the restatement of financial statements and selected relevant ratios (LO1)
- Combine strategic, sector based and extra-financial approaches to financial analysis (LO2)
- Make a distinction between the different approaches available for financial (equity) and credit analysis (LO3)
- Assign a credit rating, either based on fundamental or statistical approaches, and assess recovery depending on the position within the debt structure (LO4)
- Understand risk feature associated to the main financial products (debt, derivatives, trade finance) and evaluate Potential Financial Exposure (LO5)
- Ensure legal documentation is providing proper protection and use risk reduction techniques (LO6)

### PREREQUISITES

- Financial Analysis & reporting (M1 - Financial Economics/ #628)
- Strategic Management (M1 - Financial Economics / #629 & #304)

### COURSE CONTENT

- Advanced Financial Analysis
<table>
<thead>
<tr>
<th>Session</th>
<th>Course content</th>
<th>Requirements</th>
</tr>
</thead>
</table>
| **Session 1: Financial Analysis environment, principles and issues** | Introduction: reminder of financial analysis objectives  
1.1/ A stakeholder view of financial statements (objectives, users, evolution)  
1.2/ Making the link between operations and finance  
  - Thorough review of firm’s operations translation into financial statements  
  - Financial analysis types & financial ratios approaches  
  - What ratios can do and cannot do  
1.3/ Modern accounting principles  
  - Major international accounting differences  
  - Most critical concepts (e.g. fair value, revenue recognition, goodwill, financial instruments, employee compensation, etc.)  
1.4/ Key accountings issues and impact on financial analysis | Readings before the session:  
Chap. 1 & 3 (Palepu, Healy and Peek - Business Analysis & Valuation - IFRS Edition) |
| **Session 2: Large Groups’ and Midcaps’ Advanced Business Analysis** | MCQ test: Financial Analysis environment, principles & issues  
2.1/ Equity & Business Analysis: Information to collect, Major Sources/Tools, Good Practices  
2.2/ In-depth Business Analysis:  
  - Business positioning, Strategical Analysis and Value drivers within overall market environment  
  - Business Model assessment, What investors review/look for  
2.3/ Consolidation approach, mechanisms and impacts (incl. taxes/deferred taxes)  
2.4/ Financial Analysis & Performance Assessment:  
  - Major Financial/Performance Indicators: Revenues, Margins/NOPAT, Returns and Cash  
  - Net Operating Assets contents/structure (e.g. Capital intensity, Intangibles, Working Capital) & Costs Review  
  - Published vs. Actual Data: Adjusted, GAAP/IFRS and Non-GAAP Data vs. Cash generated; Use of EBITDA vs. Cash  
2.5/ Financial Analysis Modelling  
  - Free Cash Flow: Definition, Use, Calculation and Link with Accounting (CF Statement & Income Statement)  
  - Thorough review of financial statements Restatements / Pro-forma approach  
  - Illustrations of major/frequent financial analysis ratios used by equity analysts | Readings before the session:  
Chap. 2, 4 & 5 (Palepu, Healy and Peek - Business Analysis & Valuation - IFRS Edition) |
| **Session 3: Assessing Corporate Development, Net Financial Debt and Financial forecasts** | MCQ test: Advanced Business Analysis and Financial Modelling | Readings before the session:  
Chap. 6 (Palepu, Healy and Peek - Business Analysis & Valuation - IFRS Edition) |
3.1/ Assessing Corporate Development / M&A decisions
3.2/ Net Financial Debt assessment (incl. pensions) & appraisal of off-balance sheet items
3.3/ Financing impact on profitability (ROE, leverage effect)
3.4/ Further breakdown of ROE and residual income valuation model
3.5/ Critical aspects in the preparation and assessment of financial forecasts
3.6/ Modelling Forecasted Financial Statements (CF Statement, Income Statement & Balance Sheet)

Session 4: Sector based and financial market Ratios
4.1/ Critical ratios based on major economic sectors, financial warning signs and ESG (Environmental, Social and Governance) principles
4.2/ Payout and Dividend ratios and their interpretation
4.3/ Price Earnings Ratios (PER): Approach, Use, Advantages & Drawbacks, Major Pitfalls & Mistakes
4.4/ Earnings Per Share (EPS): Basic and Diluted Approach, Interpretations, Potential Biases & Major Pitfalls in practice
4.5/ Share price analysis, Market Momentum & Timing
Readings before the session: Chap. 9 (Palepu, Healy and Peek - Business Analysis & Valuation - IFRS Edition)

Session 5: Case Study
Equity Financial Analysis of a Firm (Business Analysis, Restatement and Preparation of pro-forma financial statements, Modelling of Financial Forecasts with selected assumptions, Overall recommendations)
Case study to prepare (4 hours minimum)

- Advanced Credit Analysis

Session 1: Fundamental Credit Analysis - Business Profile Assessment
1.1/ Industry Risk
  • Economic and political environment
  • Five competitive forces
  • Product life cycle
1.2/ Business Sustainability
  • Competitive advantage
  • Operating leverage and break-even
  • Strategy adequacy and financial impacts
1.3/ Management and Governance
  • Ownership structures and related risks
  • Management team assessment
  • Governance efficiency
Readings before the session: Chap. 1 to 4 (Ganguin and Bilardello - Fundamentals of Corporate Credit Analysis)

Session 2: Fundamental Credit Analysis - Financial Profile Assessment
MCQ test : Industry & Business profile
2.1/ Financial Reporting Analysis
  • Earning quality
  • Cash Flow generation
  • Asset and Liabilities
Readings before the session: Chap. 5 & 6 (Ganguin and Bilardello - Fundamentals of Corporate Credit Analysis)
2.2/ Liquidity analysis
- Operating cycle and cash conversion
- Debt maturity profile and refinancing risk
- Sources of funding

2.3/ Adjustments
- Operating leases
- Pension commitment
- Inventories valuation
- Off balance sheet commitments / financing

Session 3: Credit Risk measurement

MCQ test: Financial risk assessment

3.1/ Recovery
- Contractual and structural subordination
- Recovery analysis

3.2/ Rating and Probability of Default
- Rating agencies role and limits
- Fundamental approach
- Quantitative methodologies

Readings before the session: Chap. 8 to 10 (Ganguin and Bilardello - Fundamentals of Corporate Credit Analysis)

Session 4: Transaction risk assessment and mitigation

MCQ test: Credit Risk measurement

4.1/ Transaction Risk Assessment
- Nature of the commitment
- Exposure At Default
- Counterparty risk in derivatives

4.2/ Transaction structuring
- Legal documentation and covenants
- Credit enhancement (collateral, guarantee)
- Risk reduction (syndication, securitization)

Readings before the session: Chap. 7 (Ganguin and Bilardello - Fundamentals of Corporate Credit Analysis)

Session 5: Case study

Credit analysis (business and financial risk), rating assessment, and loan structuring on a real case basis

Case study to prepare (4 hours minimum)

TEACHING & LEARNING METHODS

Lectures, group discussions and extensive analysis of case studies (handled both in separate 3 hour practical case sessions). Student participation during all sessions and preparation ahead of sessions is essential.

An assessment through MCQ will be made at the beginning of each session.

ASSESSMENT METHODS

- 10% MCQ (5% for Equity, 5% for Credit analysis)
- 30% Case studies (15% for Equity, 15% for Credit Analysis) - LO1 to L06 will be evaluated
- 60% Final exam (30% for Equity, 30% for Credit Analysis) LO1 to LO6 will be evaluated

READINGS

Compulsory:
- Blaise Guanguin and John Bilardello : Fundamental of Corporate Credit Analysis, Standard & Poor's , 2004, 428 pp

Recommended:
- S&P and Moody's websites: rating methodologies, corporate default analysis
- ACIIA Publications (International umbrella organisation for National and regional associations of investment professionals),

- Thomas Plenborg and Christian Petersen, Financial Statement Analysis: Valuation - Credit Analysis - Executive Compensation, 2012, Financial Times Press, 496 pp (Chap. 4, 5, 6, 8, 10, 13, 14, 15 [Equity Analysis], Chap 3 and 7 [Credit Analysis])
The “Advanced Strategies” course introduces the latest trends in strategic thinking. In the current complex and fast moving business environment, the quest for competitive advantage is becoming increasingly intricate for companies. Besides traditional factors, numerous incipient drivers have started reshaping global competition, sometimes in opposite ways: globalization, financial crisis, emerging challengers, technological revolutions, digitalization of economy etc. All of these factors significantly affect the traditional rules of competition and requires a constant search for new sources of value creation. Hence, strategy formulation and implementation is a never-ending and hazardous game. In such a context, the main purpose of this course is to identify and discuss emerging concepts in strategy. It integrates new corporate forms and alternative forms to competitive strategies including corporate political activities.

After having taken this course, students are expected to grasp the dynamics of strategic thinking and more specifically:

- to understand the limitations of traditional approaches to strategic analysis,
- to analyze the drivers that may shape the competition game in the coming years,
- Be capable of analyzing and designing business models
- Know the different options for responding to disruptive innovation and low-cost competition and be able to choose among them in a concrete management situation
- Understand the fundamentals of coopetition theory and its application to strategy-making
- to understand market and non market components in an integrated strategy practice
- to assess non market dimensions especially political ones in strategizing
- to identify emerging concepts in strategy.

Strategic Management, Parts 1 and 2 (M1) or equivalent course in another university

- Session 1 (Ludovic Cailluet) : The limitations of classical approaches of strategy in the current business context
- Session 2 (Karin Kollenz) : How digitalization breaks up value chains and builds new eco-system?
- Session 3 (Karin Kollenz) : Responding to disruptive business models
- Session 4 (Ludovic Cailluet) : Non market strategies
- Session 5 (Ludovic Cailluet) : Business, politics and society

<table>
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<tr>
<th>Course Schedule</th>
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<th>In-Class assignment</th>
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<tr>
<td>Lecture</td>
<td>Speaker</td>
<td>Title</td>
<td>Reading</td>
<td>Additional Reading</td>
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<tr>
<td>Tutorial B</td>
<td>L. Cailluet</td>
<td>Business, Politics and Government: Preparing for non-market challenges in international development</td>
<td>Mary B. Teagarden; Andreas Schotter, Blood Bananas: Chiquita in Colombia, Thunderbird School of Global Management case # TB0245-PDF-ENG</td>
<td>Mary B. Teagarden; Andreas Schotter, Blood Bananas: Chiquita in Colombia, Thunderbird School of Global Management case # TB0245-PDF-ENG</td>
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**TEACHING & LEARNING METHODS**

The course will involve several teaching and learning methods:

- in-class lectures
- case studies
- participation
- homework case study

Preliminary readings (see the section entitled “course schedule”) are also provided for some sessions. Please read them prior to the session in order to participate to class discussions.

**ASSESSMENT METHODS**

- Final individual exam (2 hours): 50%
- Homework case study: 40%
- Contribution (participation): 10%

**MICELLANEOUS**

- Class attendance is mandatory. Arrive on time at sessions (people arriving 10 minutes after the class has started will not be admitted before the break)
- Stay with your group. Do not attend class with the other group.
- Respect the deadlines for sending documents - it is a necessary condition to obtain your course credits (minus 2 on group mark per extra day).
- Use the format required for the documents you send to the instructor (minus 2 on group mark for wrong doing).
COURSE OBJECTIVES

This is a case-based course aimed at deepening the understanding of how to apply corporate finance concepts in a variety of real business situations. In particular, we will build on concepts in corporate strategy, valuation techniques, and capital structure theories covered in previous courses, and see how to apply those tools in a systematic and rigorous way when approaching complicated corporate finance problems. Topics include: valuation of difficult-to-value companies, real options and strategic investment decisions, the choice among different methods of financing, corporate risk management, and managing interest rate exposure.

LEARNING OUTCOMES

Upon completion of this course, the course participants will:

- Recognize practical applications and limitations of valuation methods
- Understand criteria used for valuing and selecting strategic investment projects
- Know the key considerations affecting corporate financing choices
- Strengthen their understanding of advanced corporate finance topics
- Bridge the gap between the theory and real business decisions through the use of case studies

PREREQUISITES

- M1 Corporate Finance & Asset Markets
- M1 International Corporate Finance & Governance

COURSE CONTENT

Session 1: Introduction


Session 2: Valuation: The Why’s and How’s

Session 3: Valuation: Special Situations

- **CASE 1 (Declining Industry):** “Buffett’s Bid for Media General’s Newspapers,” HBS Case # 9-213-142, 2015, 16p
- **CASE 2 (High-Growth Company):** “TOM.COM: Valuation of an Asian Internet Company,” Ivey Case # 900N13, 2010, 18p

Session 4: Strategic Investment Decisions & Real Options

- Edleson, M. E., “Real Options: Valuing Managerial Flexibility,” HBS Background Note # 9-294-109, 1999

Session 5: Real Options: Theory and Practice

- BDM Chapter 22: Real Options
- **CASE 3: “County Line Markets: Real Options and Store Expansions,” NACRA Case # NA0351, 2015, 21p

Session 6: Long-Term Financing: Debt or Equity?

- BDM Chapter 23: Raising Equity Capital
- **CASE 4: “Prada: To IPO or not to IPO: That is the Question, Again,” Ivey Case # W12153, 2012, 19p

Session 7: Debt Financing: Public vs. Private Debt

- BDM Chapter 24: Debt Financing
- **CASE 5: “Dürr: Disintermediation in the German Mid-cap Corporate Bond Market,” INSEAD Case # INS223, 2012, 32p

Session 8: Leasing

- BDM Chapter 24: Leasing

Session 9: Corporate Risk Management

- BDM Chapter 30: Risk Management

Session 10: Interest rate exposure
**CASE 7: “Liability Management at General Motors,” HBS Case # 9-293-123, 2008, 18p**

**Wrap-up: Final Review**

**FINAL EXAM: Date and time to be assigned**

**TEACHING & LEARNING METHODS**

The course teaching methodology will be based on both lectures and cases. Case studies are used to illustrate application of theory to real world situations. An important element of the course is the comparison of institutional and cultural differences across countries in the practice of Corporate Finance. Students are expected to be well prepared each session for active in-class discussions and debate around assigned topics. In addition, course participants, working in groups of 4-5 students, will prepare and present one (or possibly two) case report(s). Case presentations will be randomly assigned after group formations. Students must identify the members of their group by the end of the first week of course meeting; those who fail to do so will be randomly assigned to groups.

Case Assignment: Students should form groups of five to complete an in-depth analysis of an assigned case and to present their findings and recommendations to the class. Teams are expected to meet periodically outside the classroom to develop their analysis and conclusions. The case write-ups should be typewritten, double-spaced and between 5 to 6 pages long (not including appendices, graphs or tables). Case write-ups are due in the beginning of the class on the date indicated on the course outline (along with the printouts of presentation slides). Late submissions will not be accepted since we will discuss the case in class on that day.

The cases are often ambiguous, and different assumptions can lead to different solutions. In most cases, there is rarely one “correct” answer. However, there are good and bad ways of thinking about problems. The objective is not to solve every problem but to learn how to frame and think through the underlying issues. Thus, tackling cases will involve understanding some conceptual material, working through some number crunching and doing some intelligent guesswork.

Different elements are more or less important in different cases. Students must have the ability to identify the major issues, develop different strategies for dealing with those issues, and evaluate pros and cons of each alternative in a coherent manner.

For each case you will be provided with a list of questions designed to help you with your analysis. It is not recommended that you re-write the facts of the case. No detailed background is needed in the report – a few sentences should suffice. On the other hand, present all information that is required for coherent presentation of the case during your in-class presentation. Take a clear stand on the central case problem and provide a recommended solution.

Final Exam: There will be a 3 hour comprehensive final exam, covering all the topics discussed during the course. The exam will consist of numerical problems and multiple-choice conceptual questions, and will be closed-book. However, you are allowed to bring one A4 size sheet of paper with formulas, concepts or other desired text (you may use both sides of the sheet). Don’t forget to bring a calculator.

**ASSESSMENT METHODS**

Student learning will be evaluated on the basis of the following weighted components:

- Case Write-up – 20 percent
- Case Presentation – 10 percent
- Final Exam – 70 percent

**READINGS**


All other supplemental course-related material will be distributed in class or posted on the course website.
This course analyses the main financial and regulatory issues affecting banks, financial institutions and other creditors in an international context. We will look into their motivation, the incentives they create, and the consequences for firms and markets in an international context. In particular, we will cover the following five topics: (1) the incentives created by debt and the potential of expropriation of debt-holders’ value; (2) financial distress and the design of financial securities to address the deficiencies of bankruptcy regimes and as a mechanism for the protection of banks and other creditors; (3) the impact of disclosure and the duty of care on the behaviour of financial institutions; (4) the regulation of conflicts of interest for financial institutions and firms; and (5) the specific regulatory framework that renders banks fragile when they are privately-owned and when they are state-controlled. We will cover these five major topics focusing on their financial consequences in various legal environments.

After having taken this course participants will be able to understand:

- The impact of financial restructuring on creditors and the potential for expropriation of debt-holders’ value;
- The design of financial securities to address the deficiencies of bankruptcy regimes and as a mechanism for the protection of banks and other creditors;
- The impact of disclosure and the duty of care on the behaviour of financial institutions;
- The regulation of conflicts of interest for financial institutions and firms; and
- The specific regulatory framework that renders banks fragile when they are privately-owned and when they are state-controlled.

Corporate Finance, Financial Accounting

Detailed Schedule and Bibliography for each Section

You are expected to have read and prepared all the readings and the cases BEFORE class.

Meeting 1: Creditors and Financial Restructuring:


**Meeting 2: Security Design and Bankruptcy: Protection of Banks and other Creditors:**


**Meeting 3: Case Discussion:**

- Case: Alphatec Electronics, PLC, Harvard Business School

**Meeting 4: Financial Intermediaries and the Duty of Care:**


**Banks and the Financial Crisis**

- The Dodd-Frank Act; Too Big Not to Fail, *The Economist*, February 2012.

**Meeting 5: The Conflicts of Interest of State Banks**

- Dinc, "Politicians and Banks: Political influences on Government-Owned banks in Emerging Market," *Journal of Financial*
Economics, 2005


Bank Fragility and the Conflicts of Interest of Private Banks

- "Miraculous Conversion: Make Banks safer but keep Regulators at a Distance," The Economist, 2015

Meeting 6: Case Discussion:


FINAL EXAM:

Final Exam CASE will be posted on the webpage of the course.

- The assignment will be posted on the web of the course on xxxx xxxxxxx xth by xxhxx and the due date is xxxx xxxxxxx xth by xxhxx.
- The answers to the final exam should be printed and put on the designated in-tray before the allocated time limit. The final exam should be printed as a hard copy and handed in to Rizlane Louali in office #424 or put on the designated in-tray there.
- An electronic copy must be uploaded on blackboard 10 minutes before the deadline.

TEACHING & LEARNING METHODS

The course will be graded on participation, exam, presentation and casework. Illustrative cases will be developed in groups and discussed in class. Teams presenting their case solutions in class will get higher grades.

Groups: There are several cases and/or assignments throughout the course that can be prepared and worked out in groups.

You have a week to form your group and inform us of the names of the people in your group. By the end of the first week of classes, you need to form your groups and send an email to me with the names of all the participants in your group.

The maximum number of people in a group is six.

You cannot switch groups in the middle of the course: groups are permanent for the duration of the course.

Cases: The cases will be part of your grade.

You are expected to have prepared your case in groups and to have turned in your answers (via the procedure outlined below) 10 minutes BEFORE the beginning of the first lecture where the case will be discussed (see the specifics under each case). I recommend that you also bring an additional printout of your answers into class to work through our discussion, ask questions to the groups that are presenting, and take further notes.

The answers to the case have to be in one single PDF or POWERPOINT file (which can incorporate whatever documents you want from word, excel, pictures, photocopies, power-points, etc…). You can use whatever you want to use to answer the questions and back up your answers. But the important thing is that you put all of those documents together in one single file per group. So,
remember: only one file per group per case.

All groups need to turn in answers to all cases.

Case discussions and oral presentations

Each group will be required to present orally at least one case (depending on the number of groups in each class). I am allowing groups to choose the case they want to present on a first-come-first-served basis. So, in the same email where you sent me the name of the people that form your group, you should also rank the cases according to your preference for presenting orally to the class. As I said above, I will assign case presentations on a first-come-first-served basis as much as possible, but you may not be able to get your first choice. If by the second lecture you have not given me the information, I will assign you to groups randomly and/or chose the case that you will present.

For the case discussions in class, the groups that are presenting need to prepare a power point presentation (which can include excel calculations, pictures, pdfs, etc…). This power point should include all your answers to the case and should be turned in before class in the exact same schedule as the rest of the class is turning in the written answers to the case (see below for the specific dates and times). There will be several groups preparing each case for presentation in class at each time, depending on the number of students, etc...

Procedure for delivery of your assignments, power points, and exams:

Electronic Copies: All assignments should be should be uploaded to Blackboard.

The final exam also has to be printed by you and dropped at office #424 by the established deadline

Here is the procedure to upload into the Blackboard page of the course:

- When logged on to Blackboard, click on the course name.
- Then click on "Assignments" on the left hand side (in yellow)
- Then click on ASSIGNMENTS – DROP BOX
- You need to Name your file in the following format on your hard disk as well as adding the title as surname1surname2surnameN.pdf or (.doc etc.) in the title field.
- You can also add comments in the comments field if necessary for Prof. Lopez de Silanes to read.
- If you need to resubmit a file, put REVISED after the file name.

ASSESSMENT METHODS

The course will be graded on participation, exam, presentation and casework.

Assessment will be based on:

- 30% Case reports by groups (at most 6 people).
- 10% Individual case presentation in class
- 10% Class individual participation.
- 50% Individual final exam

READINGS

All reading materials will be posted on the web. There will be a reader for the case and the class notes. All other necessary materials will be printed and/or posted.
17_M2_NI_CFB_S1_CCO_FIN_2754: CORPORATE TREASURY MANAGEMENT

NUMBER OF HOURS: 18
SEMESTER 1
INTERNATIONAL PROGRAMME - 2 ECTS
COURSE COORDINATOR: Professor Nikolaos TESSAROMATIS

COURSE OBJECTIVES
The globalization of product and capital markets requires a sound understanding of the key financial markets and instruments that facilitate trade and investment activity on a global scale. The purpose of this course is to explore the issues of valuation, funding and risk management from the point of view of the financial manager of a multinational corporation with operations in more than one country.

The first part of the course aims to provide a solid understanding of both the markets and financial instruments (forwards, options, futures and swaps) for hedging currency and interest rate risk. The second part of the course explores the corporate uses of international markets and financial instruments to study the practical problems of measuring and managing currency and interest rate risk faced by banks and multinationals when investing or raising capital abroad, multinational cash and credit risk management, project appraisal and international capital budgeting.

LEARNING OUTCOMES
This course has the following learning objectives:

- Understand the role of the treasury management function and the key tasks involved
- Analyze and assess the various types of risks faced by the multinational corporation and the conditions under which hedging might add value to the firm
- Know the financial instruments and how to use them for managing currency, interest rate and credit risk
- Appreciate the issues involved and available methods for managing credit risk in international trade
- Analyze and select international projects and joint ventures in foreign countries

PREREQUISITES
- Corporate Finance & Asset Markets (626)
- International Economics (634)

COURSE CONTENT
1. The treasury function
2. Spot markets for foreign exchange (S3, Shapiro7, BH2)
3. Forward currency markets (S4, Shapiro7, BH3)
4. Currency futures (S5, Shapiro8, BH20)
5. Currency options (S8, Shapiro8, BH20)
6. Exchange rate forecasting (S10-11, Shapiro4, BH7, BH8)
7. Why – or when – should we hedge our currency exposure? (S12, BH17)
8. Measuring and managing exposure to exchange rates (S13, Shapiro10-11, BH9)
9. The market for currency swaps (S7, Shapiro9, BH21)
10. Cost of capital for foreign investments (S19, Shapiro14, BH13)
11. Value at Risk: quantifying overall net market risk (S14)
12. Multinational cash management (Shapiro19, BH19)
13. Managing credit risk in international trade (S15, Shapiro18, BH18)
14. Summary

TEACHING & LEARNING METHODS

We will use class lectures and case studies.

ASSESSMENT METHODS

The assessment is a combination of a group assignment (50% of the grade) and an exam (50% of the grade).

READINGS

Books

- Sercu (S), International Finance: Theory into Practice, Princeton University Press, 2009,
- Shapiro (Shapiro), Multinational Financial Management, 10th edition, Wiley, 2014

Lecture Slides are the most important course material and should make it easier to follow lectures and organize your own notes. Lecture slides will be available at the beginning of the course.
COURSE OBJECTIVES

In many of today’s industries, leadership in innovation is crucial for competitiveness, profitability and growth. The Real Options approach to innovative projects resolves the dilemma between strategic interest and lacking profitability projections, while simultaneously proposing an adequate project structuring. Overall, Real Option analysis is key to the management of breakthrough Innovation!

This course teaches the fundamentals of the Real Options method and the underlying mindset. It provides students with hands-on experience on the use and application of Real Options by working through multiple concrete exercises.

LEARNING OUTCOMES

- Students will understand the underlying concepts and mindset, such as to be able to call for the application of Real Options when appropriate.
- Students will get concrete insight in the method such as (a) to understand and trust the calculations, (b) to be able to apply the Real Options method for many fundamental cases or to manage the outsourcing to consultants for more complex cases.

After having taken this course participants will be able to:

- Explain to others the Real Option method and the concrete valuation techniques.
- Analyse whether a standard NPV valuation or a Real Options valuation best matches given circumstances.
- Apply Real Options valuation for managing innovative projects.

PREREQUISITES

Knowledge about standard NPV valuation.

COURSE CONTENT

<table>
<thead>
<tr>
<th>Session</th>
<th>Content</th>
<th>Preparatory work</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction: Intuition on the value of uncertain deals and the management of uncertainty</td>
<td>Please view on <a href="http://www.TED.com">www.TED.com</a> the talk “Ken Robinson says schools kill creativity”. What are Ken Robinson’s key messages?</td>
</tr>
<tr>
<td>2</td>
<td>Financial Options: Valuation techniques.</td>
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<tr>
<td>3</td>
<td>Elementary Real Options: Definition and correspondence with Financial Options. Valuation exercises.</td>
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<tr>
<td>4</td>
<td>Advanced Real Options: Valuation of sequentially compound call option. Management of projects with significant uncertainty.</td>
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<tr>
<td>5</td>
<td>Advanced Real Options: Valuation of switch option.</td>
<td></td>
</tr>
</tbody>
</table>
• Role Plays on Investing in uncertain projects and on Risk Management.
• Lecturing, discussions, spread sheet exercises on Financial and Real Options à Calculator or Laptop required!

ASSESSMENT METHODS
• Written exam: 100% of grade, 1.5 h, closed book, EDHEC calculator allowed
• Examples of past evaluations will be provided
• Evaluated will be the ability to apply the Real Options method for valuating and managing uncertain business projects.

READINGS

**Compulsory:** Please view on www.TED.com the talk “Ken Robinson says schools kill creativity”. What are Ken Robinson’s key messages?

**Recommended**

COURSE OBJECTIVES

The course proposes a comparative analysis of world cultures from the perspective of values and values change drawing essentially from the World Values Surveys. By investigating how different value systems generate economic behaviour and political frameworks, it is possible to evaluate critically those that respond well or less well to competition and capitalism. Prosperity is linked to core cultural values, path dependency, the choice to develop human and cultural capital combined with environmental opportunities or lack of them. This is an interdisciplinary course drawing from economic history, anthropology, and comparative political science.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Identify the moral, historical and cultural factors impacting economies over history
- Discuss the major theories regarding values, cooperation and trust as forces of economic systems
- Evaluate the impact of public and private institutions (education, courts, sports, religion) on economic outcomes and the ability to generate human, cultural and social capital
- Take a critical perspective on how cultural, social and ethical priorities of societies have enduring impact on economic behavior and the organization of trade

PREREQUISITES

Three years of general business courses or Bac + 3 Business Administration.

COURSE CONTENT

SESSION 1 - What are Values?


SESSION 2 Measuring Values - types of inquiries and categories


SESSION 3 What is modernization? What is path dependency?

SESSION 4 Comparative Moralities


SESSION 5 What is Trust?


SESSION 6 Types of Capital

**Reading** Hofstede, G. (2011) Dimensionalizing Cultures: The Hofstede Model in Context. *Online Readings in Psychology and culture*, 2, (1) [http://dx.doi.org/10.9707-0919.1014](http://dx.doi.org/10.9707-0919.1014) (open access)

SESSION 7 A Critical Perspective on the work of Geert Hofstede


SESSION 8 – Identity Economics


SESSION 9 – Growth and Human Development

SESSION 10 - Evaluations

**TEACHING & LEARNING METHODS**

Lectures, student study cohorts, Socratic dialogue, reading.

**ASSESSMENT METHODS**

- Participation 20%
- Final Oral 40%
- Speed Talk 20%
- Final Exam 20%

**READINGS**


NUMBER OF HOURS: 30
SEMESTER 1
INTERNATIONAL PROGRAMME - 5 ECTS

COURSE OBJECTIVES

Level 1

• Acquire knowledge of basic grammatical structures
• Acquire vocabulary needed for basic daily communication
• Discover the socio-cultural life of France

Level 2

• Learn to master the most common communication situations, both written and oral
• Discover France, its geography, its customs, its social life
• Participate in discussions and present one’s opinions clearly
• Fill gaps in grammar

Level 3

• Discover the language of business and the life of an enterprise in the French socio-economic context
• Learn to communicate in the business world, both in writing and orally
• Learn about the working of a firm based on specific themes

LEARNING OUTCOMES

Level 1: After having taken this course participants will be able to:

• Master basic conversation skills
• Carry out basic everyday tasks in the French language

Level 2: After having taken this course participants will be able to:

• Master written and spoken French in both a business and social context

Level 3: After having taken this course participants will be able to:

• Be able to use French in various business simulations
• Master business French
• Understand French companies and how they work

PREREQUISITES
Level 1 None
Level 2 To be able to speak, write and understand basic French
Level 3 To be able to speak, write and understand French at advanced level

COURSE CONTENT

Level 1 Various aspects of daily life such as:

- Introducing oneself and introducing someone to a third person
- Speaking about oneself
- Reserving a hotel room
- Asking for directions or for information
- Shopping
- Making simple descriptions

Level 2 The final goal of this course is to:

- Communicate with ease by telephone,
- Undertake administrative procedures,
- Make reservations,
- Send e-mail messages,
- Write simple letters,
- Understand texts in French and discuss a particular topic

Level 3 Various aspects of a firm’s life internally and in its relations with the outside world, namely:

- Legal business forms
- Flowcharts
- Employment
- Advertising
- Banking
- Suppliers

TEACHING & LEARNING METHODS

Level 1

- Discovering the basics of language
- Applied exercises both spoken and written, individual and in groups
- Role playing

Level 2

- Applied exercises both spoken and written, individual and in groups
- Role playing
- Discussions and debates
- Grammar exercises as needed
Level 3

- Interactive approach to the business world.
- By means of a business-creation simulation (in groups of 3 or 4 students), students create and play out a fictional situation. They will have to "operate" their business, do research work, begin negotiations...
- These exercises will lead to work with grammar objectives.

ASSESSMENT METHODS

Participation: 30%

Continuous assessment: 70%

READINGS

Levels 1, 2, 3:

- "Bescherelle – La grammaire pour tous », Laurent Nicolas, Bénédicte Delaunay, Hatier 2012
- "Le Bled, orthographe, grammaire, conjugaison, vocabulaire » Edouard Bled, Hachette 2012

Level 1:

- "Comment vont les affaires" d'Anatole Bloomfield et Béatrice Tazun. Hachette 2007

Level 2:

- "Civilisation Progressive du Français », niveau intermédiaire Ross Steele CLE INTERNATIONAL, 2004
- "Comment vont les affaires" d'Anatole Bloomfield et Béatrice Tazun. Hachette 2007
- "Communication progressive du Français des affaires” de Jean-Luc Penfornis. Clé international 2010

Level 3:

- "Civilisation progressive du français", niveau avancé Jacques Pécheur CLE INTERNATIONAL, 2010
- "Affaires à suivre" d'Anatole Bloomfield et Béatrice Tazun. Hachette 2007
17_M2_NI_CFB_S2 SEM_3667: RESEARCH SEMINAR (FOR STUDENT RESEARCH TEAM ONLY)

NUMBER OF HOURS: 15
SEMESTER 2
INTERNATIONAL PROGRAMME - 4 ECTS
COURSE COORDINATOR: Fabrice RIVA

COURSE OBJECTIVES

See syllabus SEMESTER 1
Number of hours: 30
Semester 2
International Programme - 4 ECTS
Course Coordinator: TBD

COURSE OBJECTIVES

Global accounting standards are publicly supported by many international organisations, including the G20, World Bank, IMF, Basel Committee, IOSCO, and IFAC.

International Financial Reporting Standards (IFRS) have been adopted for the first time in 2005 in Europe as the common language of the Euro financial market (compulsory for listed companies in the EU). IFRS are also used in other large jurisdictions all around the world. Although US gaap are still required for US public companies, IFRS are accepted by the SEC for Foreign Private Issuers (PFI).

In this context, it is very important that users (both internal or external) understand main characteristics of the international accounting principles and how financial information is prepared.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Understand the key IFRS issues for finance teams (controllers, M&A department, Treasurers, Financing…) , external advisors (Banks, M&A firms …) and investors.
- Identify these issues and ask the questions necessary for the analysis of operations and / or preparation of reportings including forecasts, M&A transactions, financing …
- To communicate with accounting departments, auditors…

PREREQUISITES

Basics of IFRS accounting and finance:

- 628 - Financial Analysis & Reporting
- 626 - Corporate Finance & Asset Markets

COURSE CONTENT

Session 1

- IASC/IASB Framework (history, organization, elaboration process) and regulatory framework
- Characteristics of standards based on principles
- Financial Statements under IFRS (Statement of financial position, P&L)
- Non gaap measures

Session 2

- Analysis of financial information (financial communication, financial statements) of one major actor of the car industry in Europe
• Organisation of working groups for analysis of one actor of the car industry in Europe

Session 3

• Disclosure Initiative
• IFRS 8
• IFRS 5
• IAS 33

Session 4

• Accounting for investments (PP&E, concessions, …) and Intangibles
• Depreciation/Amortization and Impairment

Session 5

• Lease Accounting
• Provisions
• Overview of other key topics (pensions, share-based payments)

Session 6

• Revenue
• Geography of the P&L
• OCI

Session 7

• Scope and principles of Consolidation
• Business Combinations

Session 8

• Accounting for Financial Assets & liabilities: Hot topics
• Derivatives and Hedge Accounting

Session 9

• Debrief of the analysis of the car industry in Europe by working groups

Session 10

• Outlook on the future standards
• Wrap up

TEACHING & LEARNING METHODS

This course is taught by a professional. It includes theoretical description of the international accounting standards, as well as overview of template IFRS financial information “Good group”, case studies and small quiz.
ASSESSMENT METHODS

- 30% Course participation
- 70% Final examination

The correct understanding of key IFRS principles for finance teams (controllers, M&A department, Treasurers, Financing...) and external advisors (Banks, M&A firms ...) and investors will be tested during a final exam (1 hour and 30 mins).

Test will be organized around:

- Basic questions on IFRS principles and,
- Case studies
- Short answers together with rationale should be provided.

READINGS

- IASB website: http://www.ifrs.org
- IFRS material (free access) could be found at http://www.ifrs.org/IFRSs/Pages/IFRS.aspx
- IFRS Learning Resources http://www.ifrs.org/Use-around-the-world/Education/Pages/Learning-Resources.aspx
17_M2_NI_CFB_S2_MFM_FIN_1112: MERGERS AND ACQUISITIONS, FINANCIAL DISTRESS & RESTRUCTURING

NUMBER OF HOURS: 30
SEMESTER 2
INTERNATIONAL PROGRAMME - 4 ECTS
COURSE COORDINATOR: Frédéric Jacquet, Florencio Lopez de Silanes and PWC

COURSE OBJECTIVES

The objective of Part I "Mergers & Acquisitions" (19 hours) is to gain proficiency regarding the key strategic, financial and structuring issues of M&A deals.

The PART II of the course puts together a comprehensive analysis debt and equity long-term finance options and other debt and equity restructurings for firms around the world. We will analyze their motivation and consequences of each of these policies in an international context. The course will put together the menu of financial restructuring choices to push growth creating value.

LEARNING OUTCOMES

Participants completing this course should be able to:

1. Drive and customize an M&A process to a specific situation
2. Perform Company Valuation
3. Understand M&A deal structuring concepts and drivers
4. Understand an M&A transaction legal concepts.
5. Understand the typical causes of financial distress, and how to prevent those situations;
6. Master the key indicators of business trouble, and the basics of crisis management;
7. Understand the workout process on the specifics of the jurisdiction at hand.

COURSE CONTENT

Part I: Mergers & Acquisitions, by Frédéric Jacquet

Lecture on M&A basics & Valuation

1. The M&A game: actors and process
2. Company valuation: relative methods (multiples)
3. Company valuation: intrinsic methods (Discounted Cash Flows)
4. Net Debt items from an M&A perspective

Case Study – Sell-side mandate valuation

This case study aims at providing a sell-side mandate valuation.

Lecture on M&A – part 1
1. M&A and strategy
2. Deal structuring: total versus partial acquisition, shares versus asset deal
3. Payment terms: earn-out mechanism, cash versus shares payment
4. Consolidation and impact on buyer’s accounts.

Lecture on M&A part 2

1. Indicative offer / Letter Of Intent
2. Due Diligence, restatements, synergies
3. Asset and liability warranties
4. Firm Offer

Case Study - Negotiating a deal, welcome to the M&A game

1. Prepare your negotiation further to the Due Diligence findings (1h30min)
2. Negotiating the deal (1h30min)
3. Preparing a position paper for your board (buyer team) or client (seller team) (30min + 1 hour, in addition to course time).

Part II: Corporate Restructuring and Long-Term Financing, with Florencio LOPEZ DE SILANES & PWC

Meeting 1: Corporate Restructuring and Long Term Financing:

- Gottschalg, Lopez-de-Silanes and Phalippou, 2015, Giants at the Gate: Diseconomies of Scale and Private Equity Investments, Journal of Financial and Quantitative Analysis.

Meeting 2: Case Presentations and Discussion:

- Case: Messer Griesheim (Germany), Harvard Business School Case, 2013

Meeting 3: Case Study with PWC (4 hours)

TEACHING & LEARNING METHODS

For Part I: The teaching will be based on a mix of

- In-class lectures and short case studies, with interactive participation of students in the classroom
- Full cession case studies. Students will form groups of 4 to 6 and will deal with issues in a real life environment. For the M&A
Case study, students will participate to a M&A deal negotiation: two teams, seller & buyer, will be provided with a set of deal objectives and will negotiate their transaction.

**For Part II:** The course will be graded on participation, exam, presentation and casework. A case will be developed in groups and discussed in class. Teams presenting their case solutions in class will get higher grades.

**Groups:**

- **MsC CFB:** The groups have been formed by you already in our “Banks and Bankruptcy” course. We will use the same groups in this course.

- **MsC IAF:** You have a week to form your group and inform us of the names of the people in your group. By the end of the first week of classes, you need to form your groups and send me an email with the names of all the participants in your group. If you do not do it, I will assign you to a group. The maximum number of people in a group is six. You cannot switch groups.

**Cases:** You are expected to have prepared your case in groups and to have turned in your answers in blackboard at the specified time in the table above depending on your MsC program. I recommend that you do it 10 minutes before to make sure you are on time. I recommend that you also bring an additional printout of your answers into class to work through our discussion, ask questions to the groups that are presenting, and take further notes.

The answers to the case have to be in one single POWERPOINT file (which can incorporate whatever documents you want from word, excel, pictures, photocopies, power-points, etc...). You can use whatever you want to use to answer the questions and back up your answers. But the important thing is that you put all of those documents together in one single file per group. So, remember: only one file per group.

**Case discussions and oral presentations:** All groups will be required to present the case orally.

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**ASSESSMENT METHODS**

**Part I:** 70% of the final grade, based on:

- 20% M&A Case Study
- 50% Final exam (closed-books)

**Part II:** 30% of the final grade, based on:

- 25% Case reports by groups and Case presentation in class (at most 6 people).
- 5% Individual class participation.

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**READINGS**

**PART I:** Reference Textbook: Corporate Finance, Berk and DeMarzo (3rd edition)

**PART II:** All reading materials will be posted on the web. There will be a reader for the case and the class notes. All other necessary materials will be printed and/or posted.
This Structured Finance course’s aim is to provide an overview of the main structured finance products used for bank and capital market funding by Corporates, highlighting:

1. CFO’s and treasurers’ rationale
2. The lenders’ perspectives (whether commercial banks, multilaterals or export credit agencies (ECA’s)
3. Associated Advisory services (fiscal, accounting, legal, audit and rating)

This is a practical course that provides students an opportunity to understand the risk-return character of various collateralized debt products and their application in the financial management of Corporates.

Case studies span a variety of industries and geographical areas.

Upon completion of the course, the Student will:

- Understand the principles of Structured Finance and how it differentiates from Corporate Finance
- Know when to use which financing structure in a Corporate Finance perspective
- Be able to analyze the key risks attached to such debt products and identify the main risk mitigators
- Know how to apply simple financial modeling to them (in Project Finance or Securitization)
- Know how to structure the various financing solutions
- Be able to draft a financing recommendation for a Corporate board or Credit Committee of the bank syndicate
- Negotiate and bring such projects to financial closing.
- Understand re-financing issues
- Be able to structure securitization of assets whether Mortgage – Based (RMBS and CMBS) or not (ABS)

Knowledge of Corporate Finance and basic credit analysis as well as basic Corporate Law.

- Definition and typology of assets. History and markets ‘evolution
- Motivations for Corporates and banks to use such debt products.
- Legal & fiscal structuring: introducing the SPC
The concepts of recourse & non-recourse and subordination

International Trade Finance

- Trade scope and market players
- Key payment instruments for International trade: Bills of Exchange and Letters of Credit (issuances, notifications, confirmations and L/C discounting.
- Risk typology and key risk mitigators
- Case study: financing soft commodities' exports of goods on an L/C basis between the USA and Romania

SESSION # 2 (SC – 3H)

Key Topic: Consumer goods financing.

Main financing solutions: factoring, forfaiting, supplier credits

Recourse or non-recourse financings. Risk implications.

How to carry out the due Diligence?

Key market players.

Case study: Factoring or forfaiting

SESSION # 3 (SC – 3H)

Key topic: Structured Export Finance

- Capital goods ‘financing structures: Buyer credits.
- Case study: Structuring capital goods’ financing between Europe and Asia. Buyer credits with offshore structuring

SESSION # 4 (SC – 3 H)

Key topic: The crucial role of Export Credit Agencies (ECA’s) and Multilateral Banks in Structured Finance

- Mission, Consensus framework and main policy instruments
- Special focus on the European Investment Bank and the World Bank Group
- Case study: financing industrial machinery’s exports with an ECA – backed buyer credit between the USA and Angola

SESSION # 5 (SC – 3H)

Key topic: Project Finance. Key concepts

- When is PF most suitable?
- Financing Energy, Infrastructures or Government procurement
- Market highlights, by industry and geography & main market players
- Key structuring issues: Build Operate Transfer (BOT) concessions, DBFO and Public Private Partnerships (PPP).
- Case study: Structuring an hydro power plant in South East Asia

SESSION #6 (SC – 3H)

Key Topic: Project Cash flow modelling
Main market players: banks, debt funds funded by insurance companies and pension funds etc...

Introduction to Cash Flow Modeling and sensitivity analysis

Case study: Reviewing the cash flow model of an industrial project in Vietnam

Determining the loan amortization structure and securing the cash flows from the lender’s point of view. Negotiation issues for Equity sponsors

Managing the cash waterfall and fixing covenants: DSCR, ICR, LLCR.

SESSION # 7 (SC – 3H)

Key topic: Financing Infrastructure on a Project basis

- Current market overview: SPV Debt and Bond issuances.
- Due diligence issues. Special focus on Market / traffic risk, Environmental & societal risks
- Bringing a project to financial closing
- Main securing issues for corporate sponsors and banks.
- Case study: Designing the Term sheet of an infrastructure project tendered on a PPP basis in France. Debriefing on Public Private Partnerships.
- Conclusion of Part 1 (Prof: S. Chubert) and introduction on Securitization (Part 2 – Prof: O. Toutain) Financing and refinancing issues for Structured loans. Using the current market developments of YieldCo’s (Refinancing Renewable Energy project loans)

SESSION # 8 (OT – 3H)

Introduction to Securitization: a CMBS

- Aim of such a structure
- Assets and Liabilities Structuring
- Risk Factors and subsequent analysis of cashflows

Fundamentals of Securitization

- Definition of Securitization
- Differing objectives of a Securitization
- Legal framework of securitizations
- Typology of assets and their analysis

SESSION: # 9 (OT – 3H)

Key topic: Securitization: liabilities structuring

- Structure of the liabilities
- Understanding the cash-flows and related projections
- Documentation of the transaction (How to read and Offering Circular)
- Case study : A securitization of auto loans

SESSION # 10 (OT – 3H)

Key topic: Securitization Market

- Brief history of the securitization market
- Characteristics of the securitization market
- Valuation methodology of ABS
The possible future of securitization and Asset-backed financing

Conclusion of Course

TEACHING & LEARNING METHODS

- Power points providing an electronic slide-show of each session, including key concepts, examples, and exhibits;
- Real-life case studies handled by students in groups and plenary debriefed in class.
- Individual Quiz to measure the assimilation of key concepts by each student.

ASSESSMENT METHODS

The course will be assessed through a three-hour individual written exam including two (short) case studies, some multiple choice and some open questions. All the latter will be directly related to topics and cases worked out during the course sessions.

READINGS

- international trade and pre-export Finance by howard palmer euromoney books
- Introduction to Securitization BY Frank Fabozzi & Vinod Kothari, Wiley, 2008

NB: CASE STUDIES WILL BE HANDED OUT by prof PRIOR TO EACH SEMINAR SESSION AND CONSIDERED AS (COMPULSORY) PRE – reading material.
COURSE OBJECTIVES

The overall objectives of this course are:

- To get a dynamic vision of organizations through process analysis
- To create a culture based on Process Management
- To get tools and know how step by step to formalize and analyze processes besides assessing performance
- To understand relationship between process management and benchmarking in order to identify and implement best practices
- To understand different models for organizational performance

Individuals and work teams will analyze business processes and develop an action plan for measurement and improvement in applying what you have learned (finance and quality perspectives).

LEARNING OUTCOMES

After having taken this course participants will be able to:

- LO1: Define business processes and its requirements using a flow chart,
- LO2: Identify and organize customer/stakeholders requirements,
- LO3: Describe cycle time concepts, value and non-value added criteria,
- LO4: Define measurable criteria through a quality environment
- LO5: Use Continuous improvement techniques/models to improve core business processes & performance
- LO6: Use Benchmarking tool to integrate inputs and activities from competition inside organization in order to be inspired about the best practices to deploy for obtaining competitive advantage.

COURSE CONTENT

Session 1: Introduction of process, process management and benchmarking concepts, a quality approach dedicated to financial and management areas. Why do we use Process concept?

Session 2: Processes in the organisation: management processes, core business processes, support processes for a management system.

Session 3: Explanation and use of key tools: Process Design Hand Book to focus on inputs, customer output, activities, customer/stakeholders requirements. Examples of processes formalised
**Session 4&5:** Processes review to improve business management for continuous improvement (explanation and use of key tools: flowchart, process design, process documentation)

**Session 6&7:** From Process model to benchmarking. How do benchmarking and process management sustains management to make decision in conducting changes in corporate and operating levels? Understanding benchmarking.

**Session 8:** Interaction between Corporate and Operation and business case study covering both manufacturing and financial processes:

- Corporate/industry: working Capital performance through inventory (lean manufacturing), and Accounts Receivable improvement (Order to Cash process, credit management, overdue tracking, DSO calculation, current ratio Vs DSO as indicators)
- Corporate/industry: role of the controller.

**Session 9:** Corporate/Industry: searching for the best financial and managerial reports and dashboard with the best indicators for weekly, monthly, quarterly and yearly reports through the implementation of an appropriate Chart of Account (CoA), Balanced scorecard, KPI.

**Session 10:** Corporate/Industry: Malcom Baldrige Award (MBA) / European Foundation for Quality Management (EFQM), focus on process and excellence criteria.

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**TEACHING & LEARNING METHODS**

This course includes lectures and case studies based on professional background.

Team work in roundtable. 4 students by team to sustain Interactive participation. Paperboard for each group. Assignment Presentation by each team to the class. Personal laptop required.

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**ASSESSMENT METHODS**

The final notation will be based on:

- the attendance,
- the individual participation during the class (20%),
- the involvement in the teamwork during the workshop for the accomplishment of business cases exercises (30%)
- and the final assignment presented in the class (50%). Each student will be expected to participate actively in class. Assignments have to be delivered on time.

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**READINGS**

**Compulsory Reading**:

- *Learning to See: Value Stream Mapping to Add Value and Eliminate Muda* (Mike Rother)
- *Reengineering the Corporation: A Manifesto for Business Revolution* (Michael Hammer & James Champy),

**Recommended Reading**:

- *Toyota Production System* (Yasuhiro Monden)
- *Out of the crisis (W. Edwards Deming)*
- The EFQM Excellence model for Assessing Organizational Performance: A management Guide (Chris Hakes)
MANAGERS AND PROFESSIONALS IN THE FINANCE INDUSTRY ARE CONFRONTED WITH MANY SPECIFIC ETHICAL ISSUES. THIS COURSE ADDRESSES, TO SOME EXTENT, THE ETHICAL CHALLENGES IN FINANCE, WHICH INCLUDES FINANCIAL MARKETS, FINANCIAL SERVICES, AND FINANCIAL MANAGEMENT.

The main objective is to make students aware of the relevance of ethical norms for professionals in finance. A second objective is to deliver helpful background knowledge for people who prepare the CFA exam.

That financial activity be conducted according to moral norms is of great importance, not only because of the crucial role that finance plays in the personal, economic, political, and social realms but also because of the opportunities for large financial gains that may tempt individuals and financial institutions to act unethically and cause great harm.

Many of the ethical norms in finance are embodied in law and government regulation and are enforced by the courts and regulatory bodies.

Ethics plays a vital role, however, first, by guiding the formation of law and regulation and, second, by guiding conduct in areas not governed by law and regulation.

After having taken this course participants will be able to:

- Understand the need for ethics in finance and the role of ethics in financial activity.
- Understand the ethical principles of fairness in market transactions and the principles that justify the duties of people in financial roles.
- Understand the ethical principles that apply to the delivery of financial services and the operation of firms in the financial services industry, the duties of financial managers in corporations and the ethical principles that apply to corporate financial decisions.
- Understand how particular management may be helpful to implement an ethical corporate culture and to limit the risk of unethical behaviour.

There are no specific prerequisites, except for the willingness to be guided by rational arguments and to scrutinize critically one's own and other people's moral opinions related to the economy and, more particularly, related to the financial markets and services.

- Introduction: Ethics today. Ethics and the economy
- Ethics and financial markets: concepts and cases (e.g. insider trading)
- Ethics in financial services: concepts and cases. Ethics and investment decisions: what to think of SRI?
- Ethics and individuals in the finance sector (+ discussion of the CFA code of conduct)
- Behavioral ethics: how to implement ethics and compliance?
**TEACHING & LEARNING METHODS**

Students are expected to attend every class. Since the course consists of five three-hour sessions, an absence from even one class involves missing a significant portion of the course.

The course makes extensive use of Blackboard. In addition to material posted on Blackboard, this system will be used to submit all writing assignments. Students are responsible for learning how to gain access and work with files in Blackboard and for ensuring that the system has their preferred email address.

**ASSESSMENT METHODS**

In addition to reading the assigned materials and participating in class discussion, the requirements for the course include one written assignment. The grade for the course is determined as follows: participation 40%, the writing project 60%.

**READINGS**

**Required readings:**


**Cases:** They will be posted on Blackboard.

**General background reading:**

COURSE OBJECTIVES

The objective of Part I "Mergers & Acquisitions" (19 hours) is to gain proficiency regarding the key strategic, financial and structuring issues of M&A deals.

The Part II This part of the course puts together a comprehensive analysis debt and equity long-term finance options and other debt and equity restructurings for firms around the world. We will analyze their motivation and consequences of each of these policies in an international context. The course will put together the menu of financial restructuring choices to push growth creating value.

LEARNING OUTCOMES

Participants completing this course should be able to:

1. Drive and customize an M&A process to a specific situation
2. Perform Company Valuation
3. Understand M&A deal structuring concepts and drivers
4. Understand an M&A transaction legal concepts.
5. Understand the typical causes of financial distress, and how to prevent those situations;
6. Master the key indicators of business trouble, and the basics of crisis management;
7. Understand the workout process on the specifics of the jurisdiction at hand.

COURSE CONTENT

Part I: Mergers & Acquisitions, by Frédéric Jacquet

Lecture on M&A basics & Valuation

1. The M&A game: actors and process
2. Company valuation: relative methods (multiples)
3. Company valuation: intrinsic methods (Discounted Cash Flows)
4. Net Debt items from an M&A perspective

Case Study – Sell-side mandate valuation

This case study aims at providing a sell-side mandate valuation.
2. Deal structuring: total versus partial acquisition, shares versus asset deal
3. Payment terms: earn-out mechanism, cash versus shares payment
4. Consolidation and impact on buyer’s accounts.

Lecture on M&A part 2

1. Indicative offer / Letter Of Intent
2. Due Diligence, restatements, synergies
3. Asset and liability warranties
4. Firm Offer

Case Study - Negotiating a deal, welcome to the M&A game

1. Prepare your negotiation further to the Due Diligence findings (1h30min)
2. Negotiating the deal (1h30min)
3. Preparing a position paper for your board (buyer team) or client (seller team) (30min + 1 hour, in addition to course time).

Part II: Corporate Restructuring and Long-Term Financing, with Florencio LOPEZ DE SILANES & PWC

Meeting 1: Corporate Restructuring and Long Term Financing:

- Gottschalg, Lopez-de-Silanes and Phalippou, 2015, Giants at the Gate: Diseconomies of Scale and Private Equity Investments, Journal of Financial and Quantitative Analysis.

Meeting 2: Case Presentations and Discussion:

- Case: Messer Griesheim (Germany), Harvard Business School Case, 2013

Meeting 3: Case study with PWC (4 hours).

TEACHING & LEARNING METHODS

For Part I: The teaching will be based on a mix of

- In-class lectures and short case studies, with interactive participation of students in the classroom
- Full cession case studies. Students will form groups of 4 to 6 and will deal with issues in a real life environment. For the M&A Case study, students will participate to a M&A deal negotiation: two teams, seller & buyer, will be provided with a set of deal objectives and will negotiate their transaction.
For Part II:
The course will be graded on participation, exam, presentation and casework. A case will be developed in groups and discussed in class. Teams presenting their case solutions in class will get higher grades.

Groups:

- **MsC CFB**: The groups have been formed by you already in our “Banks and Bankruptcy” course. We will use the same groups in this course.
- **MsC IAF**: You have a week to form your group and inform us of the names of the people in your group. By the end of the first week of classes, you need to form your groups and send me an email with the names of all the participants in your group. If you do not do it, I will assign you to a group. The maximum number of people in a group is six. You cannot switch groups.

Cases:

You are expected to have prepared your case in groups and to have turned in your answers in blackboard at the specified time in the table above depending on your MsC program. I recommend that you do it 10 minutes before to make sure you are on time. I recommend that you also bring an additional printout of your answers into class to work through our discussion, ask questions to the groups that are presenting, and take further notes.

The answers to the case have to be in one single POWERPOINT file (which can incorporate whatever documents you want from word, excel, pictures, photocopies, power-points, etc…). You can use whatever you want to use to answer the questions and back up your answers. But the important thing is that you put all of those documents together in one single file per group. So, remember: only one file per group.

Case discussions and oral presentations

All groups will be required to present the case orally.

ASSESSMENT METHODS

**Part I**: 70% of the final grade, based on:

- 20% M&A Case Study
- 50% Final exam (closed-books)

**Part II**: 30% of the final grade, based on:

- 25% Case reports by groups and Case presentation in class (at most 6 people).
- 5% Individual class participation.

READINGS


**PART II** - All reading materials will be posted on the web. There will be a reader for the case and the class notes. All other necessary materials will be printed and/or posted.
COURSE OBJECTIVES

Knowing what venture capital, growth capital, leveraged buy-out, turnaround/restructuring and mezzanine financing are used for is a must for future managers. Understanding what private equity financing implies, delivers and does not provide is also determinant, especially given the growing influence of this sector of the global economy. As an emerging “financial ecosystem” of its own, private finance opens a lot of debates that will be discussed in class, notably through business case studies. The private equity class offers an overview of the financing of the creation, development, growth, transmission and eventually restructuring of a company thanks to the private equity toolbox. The class encompasses the place of private equity in asset allocation, fund structuring and management, as well as divestments and includes elements of appreciation about ESG criteria.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- understand the context of the intervention of private equity funds and their constraints (LO1);
- identify which financing technique fits corporate needs and actively manage relationships with private equity funds and make the most of their value creation (LO2);
- select and invest in funds, funds of funds, and/or companies which are part of the private equity ecosystem including understand the methods, processes and dynamics involved in structuring transactions and implement the financial structuring of a buy-out transaction (LO3);
- adopt a critical perspective on private finance and further deepen his/her knowledge of this sector (LO4).

PREREQUISITES

Participants are encouraged to review their accounting, valuation, M&A and corporate finance classes to prepare for this course.

COURSE CONTENT

Preparation: for each session read the brief of the case and the relevant chapters of the book (see email assigning work and readings).

Lectures

* Introduction / “Private equity, a business framework”

* “Leveraged buy-out”

Tutorials – Practical exercises

Participants will take part in the preparation and discussion of six Case Studies and Practical Exercises. The Case Studies will cover various Private Equity transaction types and features. The 2 Practical Exercises will allow participants to (i) work on a bid and compete for the buyout of a target company and (ii) prepare the offering of a Private Equity fund. Assignments will be performed in groups. They will then be presented and discussed in class.
TEACHING & LEARNING METHODS

The course content will be presented through a combination of lectures, students’ presentations, use of case studies, practical exercises and active sessions of Q&A. Participants are expected to actively participate in case discussions (hence read all the material), ask questions and interact with other participants and the lecturers. Most importantly, quality of participation is encouraged over quantity.

ASSESSMENT METHODS

- Case presentation (group work): 50% (LO1, LO2, LO3)
- Final examination (individual work): 50% (LO1, LO2, LO3, LO4)

The written final examination is a combination of open questions. Regardless of your grade for participation, you will need to pass the written element of the course. A system of bonuses is set up to reward quality participation (bonuses).

READINGS

**Compulsory reading:** Demaria, C. (2013) Introduction to Private Equity: Venture, Growth, LBO and Turn-Around Capital (John Wiley & Sons)

**Data sources:**
* European Private Equity and Venture Capital Association (EVCA) (www.evca.eu, accessed 14/2/2014)
* Preqin, Private equity database and publications (www.preqin.com, accessed 30/1/2014)

**Recommended reading: books:**
COURSE OBJECTIVES

Project Finance involves the raising of funds to finance a stand-alone investment structure in which the funds’ providers look primarily at the project’s cash flows to service the debt and provide an acceptable return on equity to the project’s sponsors.

This course with its typical “hands-on” approach provides students with an opportunity to understand and put in practice the risk-return character of limited to non-recourse projects from multiple perspectives: financial, legal, fiscal and environmental.

Case studies encapsulate a variety of industries and geographical areas and will form an eye-opener for students on the multiple applications and concrete future positions that Project Finance can generate.

LEARNING OUTCOMES

Upon completion of the course, the Student will:

- Grasp the economic, financial, legal and environmental scope of projects
- Identify the main financing techniques and structures (BOT, off-shore, Public Private Partnerships etc…) used to finance such projects
- Assess the main project’s risks and grasp how banks and rating agencies organize their due diligence and benchmark them per industry and region.
- Understand and be able to calculate the project’s debt capacity and its IRR for the investing sponsors
- Identify the main sources of finance and the key debt market players, including Export Credit Agencies, Multilateral Banks and debt funds
- Understand the architecture of a project cash flow model and learn how to calculate the main ratios of analysis and introduce sensitivity parameters.
- Structure a credit offer (“term sheet”) and identify key tools used by banks to secure their position
- Understand the latest market trends and players in the Project Finance industry.
- Maximize practical learning with real-life case studies

PREREQUISITES

Knowledge of Corporate Finance and basic credit analysis as well as basic Corporate Law.

COURSE CONTENT

SESSION # 1 (Plenary - 3 H)

i. Introducing Project Finance in the spectrum of Structured Finance products. Definition and typology of assetsHistory and markets ‘evolutionMotivations for Corporates and banks to use such debt products.Legal, accounting & fiscal structuring: introducing the SPCRecourse & non – recourse FinancingThe role of banks as lenders, underwriters, syndicate agent, trust, hedge instruments’ sellers etc…

ii. Main project financing structures on the market: From Build Own Operate & Transfer (B.O.O.T.) to Design, Build & Operate
SESSION # 2 (Group seminar – 3 Hours): Case study on Deal structuring

- Quiz on fundamentals (reviewed in session #1).
- Introduction on deal structuring: Identifying the main parties involved in a Project Finance and the risk-sharing structure: industrial sponsors, commercial contractors (construction company, Operation and Maintenance Co., suppliers), offtaker, host country, ECA's, Multilaterals (MLA's), banks, rating agencies, investment funds, advisors etc....
- Nam Theun hydropower project in Laos with EDF International as main industrial sponsor (podcast on Nam Theun).

Recommended readings for this session: Nam Theun case assignment (part 2) and chap. 3 & 4 of recommended book

SESSION # 3 (Group seminar – 3 hrs): The Project Due diligence. Risk identification & Risk management issues in Project Finance with special focus on the Country / Political risk

Case study: Nam Theun project (South East - Asia) presented by MIGA (World Bank Group)

The growing role of Multilateral Agencies and Export Credit Agencies in mitigating the political risk.

Identifying the scope of work of private insurers (Lloyd's market etc...)

Recommended readings for this session: chap. 5 and 7 of recommended book and research work on the Web sites of the World Bank, the European Investment Bank (EIB) and the Asian Development Bank (ADB)

SESSION # 4 (Plenary - 3 Hours): Guided visit of the Allianz Arena stadium project in Nice. Presentation by the C.E.O. of the project company of the financial structuring of this transaction followed by a guided tour of the premises.

SESSION # 5 (Group seminar in computer room – 3 hrs): Preparing the financial plan and cash flow model

Case study: A photovoltaic power plant in Narbonne (France) Renewable energy projects and the growing impact of environmental and social regulations in Project Finance

Reviewing the Equator principles.

Recommended reading for this session: case study assignment & attached readings + chap. 6, 9 & 10 of recommended book.

SESSION # 6 (Plenary): Project debt providers: project loans, project bonds and private placements

Case study: The Tribasa Toll Road project (Mexico)

Recommended reading for this session: Tribasa case study assignment inserted in chap 18 of recommended book & Chap 13 of same book.

SESSION # 7 (Group seminar): Follow up of the Allianz Arena project site visit: Financing of stadium projects worldwide.

Case study: Desk research by students on stadium projects worldwide and presentation of their financial structuring to the class.

SESSION # 8 (Group seminar in computer room – 3 hrs): Working and analyzing the model from the banker's point of view. Managing the cash waterfall

Case study: An aluminium smelter project in Vietnam
SESSION # 9 (Group seminar in computer room– 3 hrs): Preparing the project term sheet and getting the right security arrangements.

Case study on the financing of a PPP High Speed Railway Line (TGV) in France

Recommended reading for this session: case study assignment + chap. 7 & 16 of recommended book

SESSION # 10 (Plenary – 3 hrs): Conclusion of Course

Rounding up on PPP projects, Host country’s issues and related Term sheet practicalities.

Final Q & A session

Overview of job opportunities in the Project Finance industry

Recommendations for the final assessment

Course evaluation

Recommended reading for this session: Review all the Course’s Power Point and prepare your questions

TEACHING & LEARNING METHODS

- Power points providing an electronic slide-show of each session, including key concepts, examples, and exhibits;
- Real-life case studies handled by students in groups and plenary debriefed in class by Prof.
- Individual Quiz to measure the assimilation of key concepts by each student during class
- Glossary to assimilate and review the terminology used in the Project finance industry

ASSESSMENT METHODS

The course will be assessed with a three- hour individual written exam including a (short) case study, some multiple choice and some open questions. All the above are directly related to topics and cases worked out during the course sessions.

In order to prepare in an optimal way this final test:

1. Study all the Power Point presentations of Prof (paper hand outs in your possession and electronic version available on Blackboard)
2. Review each case study’s Debriefing (prof’s and your class notes)
3. Finish all your readings in the recommended book
4. Double- check terms by using your glossary

READINGS


CASE STUDIES WILL BE HANDED OUT by prof PRIOR TO EACH SEMINAR SESSION AND CONSIDERED AS (COMPULSORY) PRE – reading material. For most, a debriefing will be handed out after students’work out of each case in class
COURSE OBJECTIVES

The purpose of the course is to provide you with a global view of Equity Capital Markets instruments, deals and legal framework and help you better understand the activity with specific case studies that will make you think about how to solve real situations.

The course is divided into four parts: the first is designed to present you the main differences in Mid caps and Large caps and which kind of deals can be done. The second part will deal with the equity linked instruments. The third part will present you how can be organised the capital structure of a company and what are the methodologies to analyse it. The fourth part covers the legal and the regulatory framework.

This course is aimed to students of corporate finance who want to pursue a career in the equity capital markets field.

LEARNING OUTCOMES

After having taken this course, participants will be able to:

- Identify the specificities of a Mid Cap and a Large Cap with regards to ECM and the different kind of deals for each of them. In the Large Caps focus you will acquire financial understanding of the primary market, the equity investor base.
- Have a good understanding of the Convertible and Exchangeable Bonds Instruments together with other Equity Linked Instruments
- Analyse different types of Capital Structure
- Think about the legal and regulatory framework and be able to manage an equity offer: manage the documentation, split responsibilities between players, and suggest the best offering structure

COURSE CONTENT

ECM MID CAPS, by Nicolas GENES, Director Capital Markets Origination

- What is a Mid CAP?
- Mid Cap companies: a specific class of assets for investors
- To what extent ECM Mid Caps differs from ECM Large Caps

ECM LARGE CAPS, by Michael Maringe, Head of ECM Large Corporate France, Belgium & Luxemburg

- Overview of SG CIB Equity Capital Markets activities
- Primary Market Update
- The Equity Investor base
- Transactions key principles & case studies (indicative)

EQUITY LINKED, by Thomas Feuerstein, Director equity-linked origination
Overview of SG CIB Global Capital Markets activities

- Convertible and Exchangeable Bonds Instruments
- Other Equity-Linked Instruments
- Case studies

CAPITAL STRUCTURE, by Nicolas Deniau, Director - Strategic & Acquisition Finance

Part I - Back to basics (some quick reminders... and probably some unpleasant memories!) Part II - What is Capital Structure? (... in the academic world with plenty of weird formulas!) Part III - What is Capital Structure? (... in the real world)

Part IV - A powerful tool: SG’s Capital Structure Advisory (CSA)

ECM EXECUTION: THE LEGAL AND REGULATORY FRAMEWORK, by Thierry Favre, Director Global Capital Markets – Structuring & Execution Group

- The legal and regulatory framework: overview and constraints
- Split of responsibilities between players
- The prospectus directive
- The main offering structures
- The documentation related to an offering
- The contractual documentation
- Managing an equity offering: a matter of organization

ASSESSMENT METHODS

100% Final exam (beginning May - date TBD)
COURSE OBJECTIVES

- To introduce international students to the socio-economic environments in which French business takes place and will take place over the next decade
- To use a diversity of research methods to acquaint students with available sources to investigate industry, services, entrepreneurship and public policy strategies within France
- To analyze the socio-economics of France by combining demographic, social, and economic indicators
- To present new data and insights using innovative tools

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Analyze recent data on French companies and business environments
- Propose implementation and exportation strategies concerning France
- Conduct industry specific country risk analysis concerning France
- Make forecasts about the evolution of French consumption and economic patterns over the next decade

PREREQUISITES

- Three years of general business courses or Bac + 3 Business Administration.
- A working knowledge of French is helpful, but not required.
- The courses Values, Cooperation and Trust or Sociocultural France are helpful, but not required.

COURSE CONTENT

This module requires participants to explore a number of data collection methods to produce qualitative and quantitative inquiries on France and its industries. Research is considered an interdisciplinary task encompassing primary and secondary data gathering, framing an original research question and arguing for a recommendation or a new way of understanding a problem or opportunity. Practice in research for consulting will allow participants to familiarize themselves with creating value through benchmarking, industry comparison and value-driven strategic analysis.

Session 1  Overview of the Economics of France; review of the use of EDHEC on-line data base; Key Research Objectives

Reading - “Doing E-Business in France: Drivers of online trust in business to consumer websites" C 2014 Wiley Periodicals, Inc. Published online in Wiley Online Library (wileyonlinelibrary.com) Global Business and Organizational Excellence DOI: 10.1002/joe.21551 May/June 2014

Session 2  Overview of French Innovation; Overview of the components of consulting reports

Identifying and justifying a research topic with added value for investors, consumers, or
Homework: Learn the free survey tool Piktographs

Reading J. Kluger (2013) The Spark of Invention, Time Magazine November 2013

Session 3 Overview of key French businesses; sectors of the French business economy
Research project moving from description, then analysis to recommendations; interpreting data


Session 4 – French business culture


Session 5 - Site visit to a company in Nice Galeries Lafayette

Reading: Passport Report on SA Galeries Lafayette 2016

Session 6 - Using the World Values Surveys and European Social Science surveys for socio-cultural insights into consumers and citizens

Reading FOCUS 2015 WORLD FILM MARKET TRENDS

Session 7 - Open session to be defined

Session 8: Website consulting Presentations

Session 9: Website consulting presentations

Session 10: Feedback on the research process and the analysis of France; course conclusion

TEACHING & LEARNING METHODS

Lectures, student study cohorts, Socratic dialogue, reading.

ASSESSMENT METHODS

- Participation 20%
- Website Analysis and infographics –50%
- Final Exam - 30%

READINGS

This course will make regular use of online data particularly Euromonitor International, The World Values Survey and the European Social Surveys.
17_M2_NI_CFB_S2_CCO_FLE_INCOMNODD_1352: FRENCH COURSE (FOR VISITING STUDENTS & IC)

NUMBER OF HOURS: 30
SEMESTER 2
INTERNATIONAL PROGRAMME - 5 ECTS

COURSE OBJECTIVES

Level 1

- Acquire knowledge of basic grammatical structures
- Acquire vocabulary needed for basic daily communication
- Discover the socio-cultural life of France

Level 2

- Learn to master the most common communication situations, both written and oral
- Discover France, its geography, its customs, its social life
- Participate in discussions and present one’s opinions clearly
- Fill gaps in grammar

Level 3

- Discover the language of business and the life of an enterprise in the French socio-economic context
- Learn to communicate in the business world, both in writing and orally
- Learn about the working of a firm based on specific themes

LEARNING OUTCOMES

Level 1: After having taken this course participants will be able to:

- Master basic conversation skills
- Carry out basic everyday tasks in the French language

Level 2: After having taken this course participants will be able to:

- Master written and spoken French in both a business and social context

Level 3: After having taken this course participants will be able to:

- Be able to use French in various business simulations
- Master business French
- Understand French companies and how they work

PREREQUISITES
Level 1 None

Level 2 To be able to speak, write and understand basic French

Level 3 To be able to speak, write and understand French at advanced level

**COURSE CONTENT**

**Level 1.** Various aspects of daily life such as:

- Introducing oneself and introducing someone to a third person
- Speaking about oneself
- Reserving a hotel room
- Asking for directions or for information
- Shopping
- Making simple descriptions

**Level 2.** The final goal of this course is to:

- Communicate with ease by telephone,
- Undertake administrative procedures,
- Make reservations,
- Send e-mail messages,
- Write simple letters,
- Understand texts in French and discuss a particular topic

**Level 3.** Various aspects of a firm’s life internally and in its relations with the outside world, namely:

- Legal business forms
- Flowcharts
- Employment
- Advertising
- Banking
- Suppliers

**TEACHING & LEARNING METHODS**

**Level 1**

- Discovering the basics of language
- Applied exercises both spoken and written, individual and in groups
- Role playing

**Level 2**

- Applied exercises both spoken and written, individual and in groups
- Role playing
- Discussions and debates
- Grammar exercises as needed
Level 3

- Interactive approach to the business world.
- By means of a business-creation simulation (in groups of 3 or 4 students), students create and play out a fictional situation. They will have to "operate" their business, do research work, begin negotiations...
- These exercises will lead to work with grammar objectives.

ASSESSMENT METHODS

Participation: 30%
Continuous assessment: 70%

READINGS

- **Levels 1, 2, 3**: "Grammaire Progressive du Français", niveau A2/B1 - Intermédiaire Maïa Gregoire, Odile Thievenaz CLE INTERNATIONAL, 2013
- "Bescherelle – La grammaire pour tous », Laurent Nicolas, Bénédicte Delaunay, Hatier 2012
- "Le Bled, orthographe, grammaire, conjugaison, vocabulaire » Edouard Bled, Hachette 2012

- **Level 1**: "Civilisation Progressive du Français", niveau débutant C. Carlo, Mariella Causa CLE INTERNATIONAL, 2003
- "Comment vont les affaires" d'Anatole Bloomfield et Béatrice Tauzin. Hachette 2007

- **Level 2**: "Civilisation Progressive du Français ", niveau intermédiaire Ross Steele CLE INTERNATIONAL, 2004

- **Level 3**: "Civilisation progressive du français", niveau avancé Jacques Pécheur CLE INTERNATIONAL, 2010
- "Affaires à suivre" d'Anatole Bloomfield et Béatrice Tauzin. Hachette 2007
17_M2_NI_CFB_S2_ELE_FIN_865: STRATEGIC COST MANAGEMENT

NUMBER OF HOURS: 15
SEMESTER 2
INTERNATIONAL PROGRAMME - 2 ECTS
COURSE COORDINATOR: Jean Malik DUMAS

COURSE OBJECTIVES

In the past 20 years the fields of Management Accounting and Strategy have come closer. A number of management principles emerged from Total Quality Management in order to focus the resource allocation on value creation activities. These principles have evolved into cost accounting techniques. This course is reviewing cost management techniques aimed at providing a competitive advantage for the firm in competitive environment. The approach takes from Management Accounting, Strategy and Operation Management.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Understand cost drivers
- Apply alternative cost accounting methods
- Analyze cost and value
- Analyze and evaluate cost management strategies

PREREQUISITES

This is an advanced course; students should be familiar with traditional cost accounting methods (absorption costing, Activity Based Costing). However, the emphasis is not toward calculative application but rather a broad understanding of frameworks with their implications.

COURSE CONTENT

Part 1

- Strategic cost management – A new concept?
- The centrality of information
- Beyond ABC
- Theory of Constrains
- Case Bal Seal

Part 2

- Time-Driven ABC Case

Part 3

- Value engineering
- Case – A-Cat – Bang for the bucks
Part 4

- Integrative cost approach case

Part 5

- Presentations

TEACHING & LEARNING METHODS

This course includes lectures, assignments, exercises and case studies. Individual and collective written assignments will be due. All grading elements will be collected during the lectures. Therefore attendance is a must.

As the course is heavily based on cases, each student will be expected to participate actively in class discussions.

ASSESSMENT METHODS

- Group case: 40%
- Group presentation: 20%
- Individual assignments: 40%

READINGS

Recommended reading

- Strategic Management Accounting: By Hoque; Pearson Education, 2006. (2nd edition)

This course will make use of case and articles as mandatory readings. These documents will be communicated in a detailed session by session assignment list posted on blackboard.
COURSE OBJECTIVES

The true creativity in entrepreneurship is converting an ambition, or an idea, or better still, a perceived opportunity into a viable economic activity. The overall objective of this elective course is to give an overview of what it takes to be a successful entrepreneur in converting one’s business ambition into such a viable activity, with specific reference to the manner in which those notions can be applied to the creation of new economic activity in the financial-services sector.

The course focuses on entrepreneurship from three different perspectives: entrepreneurship as the special collection of skills possessed by an entrepreneur; entrepreneurship as an analytical and managerial process; and, entrepreneurship as the sharing of risk and reward between the entrepreneur and his/her financiers.

LEARNING OUTCOMES

Some students may wish to take the entrepreneur route for their careers rather than the well-trodden “corporate” route. This course will prepare them for what it takes, what can be expected and how to appraise and manage a start-up business.

Having taken this course, participants will be able to:

- Understand the concepts and analytical models underlying modern approaches to entrepreneurship
- Be able to apply these to the evaluation and formalisation of their own (group’s) entrepreneurial project
- Be able to read and interpret a formal business plan

COURSE CONTENT

<table>
<thead>
<tr>
<th>Lesson No</th>
<th>Course content</th>
<th>Requirements</th>
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<tbody>
<tr>
<td>3</td>
<td>• Business models/modelling</td>
<td><strong>Readings</strong>: Hamermesh et al., Note on Business Model Analysis for the</td>
</tr>
</tbody>
</table>
Managerial aspects of entrepreneurship
Aspects of the financial context of entrepreneurship


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Innovation and Product Design – Responding to the entrepreneurial opportunity.
Business Plans and business planning


---

Final presentations by entrepreneurial project groups
Summary and Conclusions

---

**TEACHING & LEARNING METHODS**

Lectures and class discussions based on articles or book excerpts.

---

**ASSESSMENT METHODS**

All three of the learning objectives will be evaluated as part of the assessment process. The principle basis for the assessment in this Course will be the quality of the written assignment (business plan) and the presentation and defence of each group’s entrepreneurial project. The individual student’s participation during class discussions and during the final presentation will also be evaluated.

**Course grade calculated as follows:**

- Individual Participation Grade 40%
- Group Assignment Presentation (Individual Grade) 20%
- Written Group Assignment (*) 40%

(*) Details on the final group assignment and class presentation will be communicated during the course.

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**READINGS**

See detailed references in Course Content section.

Electronic versions of the Course readings (journal articles) will be available to students registered in the course (for the duration of the course, only) on BlackBoard.
Entrepreneurial Finance prepares students for a wide variety of situations and problems that stakeholders might confront in an entrepreneurial venture. The course provides a focus on value creation as the objective of each strategic and financial choice that an entrepreneur or investor makes.

After having taken this course participants will be able to:

- Understand how financing decisions impact value creation, ownership, and governance. ("what")
- Calculate the impact of financing structures on the venture ("how much", "when")
- Make informed decisions on financing choices in relation to strategic issues ("stay", "sell", "buy"...)

**Lesson #1**

- **INTRODUCTION – SOURCES OF FINANCING:**
  - Range of entrepreneurial financing alternatives (Debt, angel investing);
  - Use of internal cash flows and growth management when no external financing is available yet;

**Tutorial**

- **"Financing Entrepreneurial Ventures"** introduces students to the key issues involved in the financing of entrepreneurial enterprises. The Reading begins by examining how business models shape external financing requirements. It then contrasts the choice to bootstrap with the option to raise external funds, as well as the traits of debt versus equity investment. Students learn about the different types of equity investors-including angels, VCs, and strategic investors-and follow an entrepreneurial venture’s path through the financing stages. Students also examine how entrepreneurs can adjust business models to match financial conditions, and how they can reduce financing needs through alternative models such as partnerships. Finally, the Reading covers emerging funding models-such as crowdsourcing and accelerators-and the global aspects of entrepreneurial finance. There are 6 Interactive Illustrations included in the Reading: “Calculating a Cumulative Cash Flow Curve,” “Asset Intensity Ratio,” “Building a Cap Table,” “How Investor Expectations and Target Returns Drive Company Ownership,” “Payouts from Simple Equity and Convertible Investments,” and “Seed Note Ownership and Value.”

- Reading and completing the interactive tutorials is essential... and quite fun.

**Case #1**

- **“Avid Radiopharmaceuticals and Lighthouse Capital Partners”** In fall 2008, a venture lender must decide whether to make a loan to Avid, a small but promising venture-backed life sciences firm. In reviewing her proposal, Cristy Barnes considers the company's characteristics and how they differ from a typical investment.
At the same time, the CEO and the venture capitalist are exploring the true costs and benefits of taking the loan, particularly in the uncertain economic climate of the time.

Questions:
1. As one of Cristy’s colleagues, what arguments would you make against lending to Avid? Why might you support doing so?
2. How does Lighthouse - and the venture debt industry in general - mitigate the risks inherent in lending to companies with few assets and negative cash flows? Does this seem like a sustainable model?
3. What sort of conflicts might arise among the goals of management, the strategics, the late stage investors and the seed investors? How would you resolve them?
4. Should Dan take the venture debt? Why or why not? How have the arguments about taking the debt changed since the market’s unrest?

#2

**VALUING A STARTUP**

Key issues in valuation of a business concept:

**“A Method For Valuing High-Risk, Long-Term Investments”, W. Sahlman, HBS note #9-288-006, 2009**

**“HurryDate”, Katz, Riedl & Deckinger JNS Case #110035, 2009**

**Article**

“A Method For Valuing High-Risk, Long-Term Investments” describes a method for valuing high-risk, long-term investments such as those confronting venture capitalists. The method entails forecasting a future value (e.g., five years from the present) and discounting that terminal value back to the present by applying a high discount rate (e.g., 50%). Provides an explanation of this method, including a detailed discussion of the determinants of the key factors ranging from the discount rate to the terminal value. The pedagogic objective is to make students aware of the issues involved in valuing such “futures” investments. A model is provided that further elucidates the determinants of value.

**Case #2**

“HurryDate”. This case illustrates a comprehensive valuation of a firm specializing in the “speed dating” niche of the dating/entertainment industry. The founders of HurryDate, a small, privately-held firm, are considering options to fund future growth, including a full or partial sale of the firm. Students must assess the firm's strategy, the key risks and success factors associated with this industry, evaluate basic financial reports, assess the firm's past performance, estimate the firm's future performance, and make recommendations regarding the valuation of the firm. This exercise also highlights the challenges of valuing a small firm, where information and viable comparables are often limited or non-existent.

Questions:
1. What is HurryDate’s strategy? What are the key success and risk factors associated with this strategy for the firm individually, and this industry generally?
2. Where, if at all, do the financial statements reflect these success and risk factors? What are the primary balance sheet and income statement accounts?
3. How has HurryDate performed in the past? What key measures can be used to gauge the company’s success?
4. What are the primary options for Deckinger and Testani to sustain HurryDate’s growth? Which appears to be the best option?
5. If Deckinger and Testani decide to sell HurryDate outright, what would be an acceptable value for the firm? What would be the key assumptions to consider in any negotiation of this price?

#3

**VALUING A STARTUP (continued)**

Key issues in valuation of a business concept:

**“Funding New Ventures: Valuation, Financing, and Capitalization Tables”, M Roberts, HBS Note #9-806-058, 2006**

**“PlanetTran”, Cohen, Malloy, HBS Case #9-209-029, 2010**
**Article**

- "Funding New Ventures: Valuation, Financing, and Capitalization Tables" explains the concept of implied valuation—i.e., the valuation that can be inferred from a financing event—and how such valuations and financings are represented in a "cap" or capitalization table for a new venture.

**Case #3**

- "PlanetTran". PlanetTran is an environmentally-friendly car service that utilizes a fleet of hybrid cars in providing livery service to corporations and individuals. The founder, Seth Riney, is evaluating outside funding options in order to expand the company, and has met several local venture capital (VC) firms, Riney must decide if the dilution he would have to undergo in order to accept a substantial capital investment was worth the added upside to the company that both he and the VCs envisioned.

Questions:

1. Assume that Seth Riney has a 25% discount rate. Using the company’s projections in Exhibit 6, which strategy would Riney prefer to take?
2. Assume the venture capital firm (VC) has a discount rate of 20%. Using the VC projections in Exhibit 5, which strategy would the VC prefer to take?
3. What ownership stake in PlanetTran should the VC receive if they decide to expand to New York? What stake should the VC receive for the other expansion strategies? What share should Riney agree to? Which strategy do you think PlanetTran will adopt?
4. What do the results imply about the market for venture capital funding of entrepreneurs?

**#4**

- STRUCTURING DEALS
- Example of deals entrepreneurs and investors make with focus on term sheets

**Article**

- "Deal Structure And Deal Terms" describes the general principles of crafting financial deals around the provision of capital to entrepreneurial ventures. Discusses in more detail some of the specific aspects of venture capital term sheets.

**Case #4**

- "Internet Securities, Inc.: Path to Sustainability" founded in 1994 when the Internet was still a "toy for techies," the case is set in 1998 when Internet IPOs were red-hot. Internet Securities provides hard-to-find financial, business, economic, and political information on emerging markets. Information from over 600 information suppliers in more than 25 emerging markets (e.g., China, Russia, Poland, Venezuela, Argentina, Chile, Turkey) is provided to over 650 institutional clients, including J.P. Morgan, Deutsche Morgan Grenfell, KPMG, and ING Barings. After ruling out seeking another round of VC financing, the cash-strapped founder of this Internet information service provider must decide whether to IPO or accept an offer to be acquired by Euromoney, a global publishing and information content provider that is eager to launch an Internet information service. The case contains a term sheet that can be reviewed to support analysis and decision making.

Questions:

1. Evaluate the opportunity identified by Internet Securities, the firm’s performance to date, and the decisions that have had the greatest impact on performance.
2. What does ISI need to reach sustainability? Given those needs and personal considerations, how should Mueller evaluate the IPO versus Euromoney offer?
3. If you were to continue with the Euromoney offer, which terms would be the focus of your negotiations?

4. Wrap up discussion on careers in entrepreneurship and financing.

**TEACHING & LEARNING METHODS**

Cases, lectures and class exercises.

**ASSESSMENT METHODS**
• Individual Participation Grade: 30%
• Final examination: 70%

**READINGS**

Recommended book (for further reading, not compulsory for the course):

*Entrepreneurial Finance*

The objectives of the course are to (i) understand the main characteristics of commercial real estate investment and finance in developed markets (focus on Europe) and emerging markets (focus on Asia), (ii) acquire technical skills of real estate valuation, (iii) be able to construct the model of a real estate investment and (iv) understand the key concepts of real estate lending (corporate and structured loans).

After having taken this course participants will be able to:

- Understand the specificities and challenges of real estate in corporate finance through the acquisition of a detailed knowledge of the different kinds of investment, investors and markets – Focus on office and retail markets.
- Value real estate assets and companies using different methodologies
- Apply modelling skills to the real estate sector and be rapidly operational either in a real estate company/fund as an investment analyst/asset manager or in a bank/financial institution as a credit analyst/equity analyst

DCF corporate valuation / IRR modelling.

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<th>Content</th>
<th>Preparatory work</th>
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<td>Session 1 (3h)</td>
<td>Chapter 1: Real Estate Overview – part 1</td>
<td>Reading of real estate reports and white papers posted on Blackboard before the course</td>
<td>Lecture</td>
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<tr>
<td></td>
<td>Real Estate in the economy, real estate investments worldwide, real estate cycles, why and how investing in real estate, 4-quadrant model, asset classes: drivers and market analysis</td>
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<tr>
<td>Session 2 (3h)</td>
<td>Chapter 1: Real Estate Overview – part 2</td>
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<td>Lecture</td>
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<td></td>
<td>Actors of the value chain, the different investors and their respective strategies (core/value added/opportunistic), performance measurements, access to information</td>
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<tr>
<td></td>
<td>Chapter 2: Real Estate Valuation – part 1</td>
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<td>Lecture</td>
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<tr>
<td></td>
<td>Valuation standards and process, key concepts &amp; methods of asset valuation, NOI computation &amp; due diligence of lease agreements</td>
<td>Case study 1: impact of indexation, Case study 2: income capitalisation - office valuation</td>
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<tr>
<td>Session 3 (3h)</td>
<td>Chapter 2: Real Estate Valuation – part 2</td>
<td>Preparation case study 3: DCF – market value of a retail asset</td>
<td>Presentation by students and discussion of case study 3: DCF Retail</td>
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<td></td>
<td>Property companies valuation, Reits worldwide</td>
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<td>Lecture</td>
</tr>
<tr>
<td>Session 4 (3h)</td>
<td>Chapter 3: Real Estate Investment</td>
<td>Preparation Part 1 (DCF &amp; research) of case study 4: office investment</td>
<td>Lecture</td>
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<tr>
<td></td>
<td>Acquisition process and due diligence, modelling of income-producing asset investments (unlevered and levered IRR), price determination, risk analysis, sources of value creation, risk management</td>
<td></td>
<td>Presentation by students and discussion on case study 4: Office Investment (DCF part)</td>
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<td>Case study 4: Office Investment: price determination under IRR constraints (IRR part)</td>
</tr>
<tr>
<td>Session 5 (3h)</td>
<td>Section 4: Real Estate Lending</td>
<td>Preparation Real Estate assumptions for case study 5: debt structuring</td>
<td>Lecture</td>
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<td></td>
<td>Traditional and alternative lenders, impact of financial crisis and new regulations, corporate versus structured financing, capital markets access, bank loan process, risk analysis, pricing and structuring (modelling and term sheet)</td>
<td></td>
<td>Case study 5: debt structuring of an asset acquisition</td>
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<td></td>
<td>Conclusion: Challenges of the Real Estate Industry</td>
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**TEACHING & LEARNING METHODS**

Lectures with insights from a real estate practice; case studies

**ASSESSMENT METHODS**

**Grade:**

- 100% on group assignment on a professional case, including research, valuation and financing items.
- Bonus for class participation and case studies presentation during sessions

Timing: 3 to 4 weeks of preparation

**READINGS**

No book covering the whole course. Experience matters in this field.

**Recommended books:**

1. Specific to US markets: Real Estate Finance and Investments. W.B. Brueggeman & J.D. Fisher, Mc Graw Hill with the following specific chapters:
   - Real Estate Overview: chapters 9&21
   - Real estate Valuation: chapter 10
   - Real Estate Investment: chapters 11&13&14&18&22
   - Real Estate Lending: chapters 12&15&16&17 - Further readings for basics: chapters 2 to 6

Commodities have obtained a dual character over the past decades: are seen increasingly as an asset class, as well as a production input and output for non-financial organizations. Interestingly, their asset class characteristics impact prices and volatility, and thus make it increasingly important that non-investors understand and manage better the business risks linked to commodities.

The goal of this course is to introduce corporate finance students to physical and paper commodity markets (industrial and precious metals, oil and distillates, energy and agriculture), and expose them to ways that non-financial institutions manage their commodity risks. We take the analyst's point of view to look at commodity liability management solutions, corporate strategies, and real options linked to commodities.

The first part of the course, which focuses on commodity markets and participants, is descriptive. The second part, which focuses on commodity risk management, project valuation and real options, is very technical and will require students to significant work on Excel.

**LEARNING OUTCOMES**

After having taken this course, participants will:

- Have a broad knowledge of the main commodity markets (physical and paper)
- Understand spot and forward commodity pricing for various commodities, and how it affects corporate valuations
- Be able to synthesize hedging, financing and leasing strategies, and evaluate their efficiency in risk management and accounting
- Recognize the challenges and methods associated with valuation of projects and companies dealing with commodities
- Be able to identify and estimate the value of "real options" that occur within commodity projects

**PREREQUISITES**

Good understanding of finance theory, derivatives (swaps and forward contracts) and some understanding of options theory. Some work will need good Excel skills (but no VBA programming).

**COURSE CONTENT**

The course is divided in five 3-hour long sections. Depending on the final schedule, material may be shifted around.

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<th>Topic</th>
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<td>Precious metal markets</td>
<td>Natural gas, electricity and agricultural markets</td>
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<td></td>
<td>Industrial metal markets</td>
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<tr>
<td></td>
<td>Forward pricing for precious and industrial metals</td>
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</tr>
</tbody>
</table>
Forward pricing for precious and industrial metals

Review of the fundamentals of commodity pricing:
- Spot and forwards prices
- The shape of the forward curve
- In-class exercises

Financing, hedging and liability management for non-financial institutions:
- Reasons for hedging and the value to the firm
- Hedging strategies
- Risks arising from hedging
- Commodity asset and liability reporting (e.g., hedge accounting)

Valuation of commodity projects and companies
- The challenges in commodity project valuation
- Real options methods

TEACHING & LEARNING METHODS

Lectures, group discussions and extensive analysis of case studies. Student participation is essential.

ASSESSMENT METHODS

- 65% group project, to assess analysis and synthesis of a commodity hedge or real option situation (students’ choice)
- 35% individual exercise, to assess understanding of commodity price modelling and futures pricing

READINGS

Compulsory readings will be distributed in class (presentations and academic papers)

Recommended reading: select chapters from

- Deutsche Bank (2011), A user guide to commodities (online)
17_M2_NI_CFB_S2_ELE_FIN_3944: LEADERSHIP & RELATIONAL GROWTH

NUMBER OF HOURS: 15
SEMESTER 2
INTERNATIONAL PROGRAMME - 2 ECTS
COURSE COORDINATOR: Robert WEISZ / TBU

COURSE OBJECTIVES

What are the keys to business success in an always faster changing environment?

Beyond attractive products, unique market position or appropriate strategies, the starting point of any successful business lies in two points:

- Leaders who are able to cope with pressure, adapt to difficult situations and people, create a positive impact beyond their immediate boundary
- To build and empower winning people/teams, and to create work contexts that will tend towards excellence.

This seminar will provide you with methods and tools to make your interpersonal communication more efficient and satisfactory, to strengthen your leadership skills, and take your team/organization to the next level.

LEARNING OUTCOMES

After having taken this course a participant will be able to:

- analyze on the spot a situation of miscommunication and to adapt to it,
- understand why a person in relationship with him/her is under stress and to help him/her to come out of it,
- be aware of his/her own mechanisms of miscommunication, better manage his/her emotions,
- define precise objectives for his/her personal development, as a person and as a leader.

PREREQUISITES

None

COURSE CONTENT

1st half-day

- Introduction to Emotional Intelligence and Relational Growth
- Linkages between relational needs, stress and behaviors
- Two versions of communication: Growth and Survival
- Illustration: Role plays on Passivity and Aggressiveness

2nd half-day

- Communication model and psychological types
- Understand each of the communication profiles, its dynamics, values, specific qualities and vulnerabilities
- Self-reflection exercise: the impact of our behaviors in Survival and in Growth mode within and beyond our immediate boundary
• Fully understand one’s communication profile (each participant will receive his/her personal communication profile)

3rd half-day

• Debriefing and exchange on the Comprofiles model and self-reflection exercise
• Implementation: how to adapt to people in survival
• Workshop: role plays on each communication profile

4th half-day

• How to adapt to specific situations or communication styles
• Applying relational growth as a leader
• Conclusion and seminar wrap up

TEACHING & LEARNING METHODS

• role plays
• lectures
• self-assessment exercises and personal development project: each participant will fill in a questionnaire before the course and receive his (her) communication profile, including a program of personal development

ASSESSMENT METHODS

• Exercise of reflection on your communication profile and on your own interpersonal behaviours.
• Project of personal development.

READINGS

COURSE OBJECTIVES

This course aims at explaining how central banks changed their modus operandi after the financial crises and why they have been given new assignments and responsibilities in banking and financial supervision.

After a brief review of some background macroeconomic tools (solution of models with rational expectations) the course will introduce a theoretical framework for the study of how monetary policy should be conducted and will then evaluate the current practice of the major central banks and their operational framework, pre and post the financial crisis. An appraisal of the recent progresses in the construction of a banking union in Europe will be also provided.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Evaluate debates about conduct of monetary policy
- Assess how different central banks perform their institutional duties
- Appreciate the interaction between monetary policy, financial regulation and supervision and systemic stability

PREREQUISITES

none

COURSE CONTENT

1. Review of background material and rational expectations (Session 1)
2. The Theory of Monetary Policy: rules versus discretion. Credibility versus Flexibility. Independence, accountability and transparency. (Session 1)
3. The Practice of central banking: final, intermediate and operating targets for monetary policy: FED vs ECB (with some hints on BOJ, BOE and PBC). (Session 2)
4. The Practice of central banking: instruments and operating procedures, pre and post the financial crisis. (Session 2)
5. The Transmission Mechanisms: yield curve, interest and exchange rate channels, asset prices, credit channel. (Session 3)
6. Monetary Policy, Financial Stability, Banking Supervision. The evolution of banking and financial regulation and the European banking union (Session 3)

TEACHING & LEARNING METHODS

Classes and assignments

ASSESSMENT METHODS

Assessment will be based on class participation (10%) and on a final written exam (90%) covering either one or all of the three
learning outcomes detailed above. Final will be in the form of a short essay to be completed in a max of 45 minutes.

READINGS

References will be provided at the beginning of classes and will include lecture notes, slides and material published on central banks’ official web sites.

Below, students can find a preliminary list of some useful reading (starred are required):

COURSE OBJECTIVES

The course is designed to teach students how to use the advanced facilities offered by Excel for corporate finance and management control. It is aimed at spreadsheet users who need to design, build and disseminate professional financial models within organizations. The course shows how to use Visual Basic for Applications (VBA) to create more powerful spreadsheets and to build custom functions. The students will work in class on their own spreadsheets, implementing all the notions of the course.

LEARNING OUTCOMES

After having taken this course participants will be able to:

1. Automate tasks with macros
2. Add user-defined function to Excel
3. Create applications in VBA

PREREQUISITES

- M1 course 633: Introduction to VBA programming
- M2 course 764: Financial modelling with Excel

Students must know how to use Excel, especially financial functions and data analysis tools (data tables, pivot tables, etc.)

Basic knowledge in VBA is also required (what is a macro, how to create a macro, the macro recorder, loops and conditional branching).

COURSE CONTENT

First part: basic skills

- Variables (datatypes, declaration, scope), Objects
- Different kinds of Loop
- Conditional branching
- How to work with ranges, worksheets, etc.

Second part: creating robust programs and a clean code

- Check user input
- How to prevent a program from crashing
- Use of worksheet functions & R1C1 references
- Public Vs private, constants
Third part: advanced use of VBA macros

- User-defined functions
- ByRef and ByVal arguments
- Creation of applications
- Automate charts creation
- Automate pivot tables creation

TEACHING & LEARNING METHODS

Lectures, in-class exercises, take-home exercises

ASSESSMENT METHODS

Take-home assignment (100%), covers LO 2&3

READINGS

FINANCIAL DATA ANALYTICS

NUMBER OF HOURS: 15
SEMESTER 2
INTERNATIONAL PROGRAMME - 2 ECTS
COURSE COORDINATOR: Philippe COULOT

COURSE OBJECTIVES
Finance is facing technological challenges with disrupting technologies, a fast developing ecosystem of Fintech start-ups, a tighter regulatory framework and more complex business environment with decreasing margins. While data remains a key asset to its business, increasing in volume, complexity, volatility, companies in Financial Services need to extract value from the data and develop new services. The purpose of the Financial Data Analytics course is to clarify the framework and concepts from usages to technologies, understand through examples current and future disruptive applications and evaluate upcoming opportunities.

LEARNING OUTCOMES
• Have a complete and global view of each business areas in finance, their business model and relevance of data (LO1)
• Understand the upcoming disruptive impacts from data analytics in each most relevant domains based on practical business cases (LO2)
• Understand through examples / case studies how big data projects are managed in practices with specific tools (LO3)

PREREQUISITES
• A global understanding of the Financial Services landscape: business segments, regulatory environment
• A preview of specific MOOC related to Asset Management and Big Data
• Specific Mc Kinsey and BCG studies / articles related to digital

COURSE CONTENT
The first 2 sessions will cover the foundation of Big Data: concepts, technology, business disruptive impacts and potential – a selection of MOOC will be provided and must be seen by each participant before the starting date.

Session 3 will provide a panoramic view of applications of Big Data in Finance: by financial segments, applications, start- ups and practical illustrations.

Session 4 will be devoted to case studies: 5 cases for each team of 6 participants.

Session 5 will address presentation of business case for each team and for each 5 sectors a detailed cases will be presented.

The final grade will combine participation, the MCQ final exam grade and the grade of each 5 team for their presentation for the case study.

Session 1: What is Big Data and its foundations? Introducing Data Analytics, Business applications of Financial Data Analytics
• Definition and origins of Big Data, the 3V approach, the current disruptive approaches
• The business and technological revolution, Data HUB, Data Lab, Data Visualization
• Data Analytics: definition, offerings, architecture and usages supported
• Career opportunities outlook in Finance: clients, start ups, integrators, consulting firms, software editors
• By types of problems solved
• Quantification to the business potential
Panoramic view of business segments and usages covered

Session 2: illustrative cases in each 5 financial sub segments: practical cases and specific start-ups involved / Data analytics tool: application of Big Data Analytics to the following 5 cases

1. Consumer Finance: Consumer credit risk management across the all life cycle of clients
2. Cash Management and trade Finance
3. Payments: Fraud detection and optimized processing
4. Insurance in the non life insurance business: risk based segmentation of profiles applied to categories of non life insurance
5. On line retail banking: application to hyper segmentation and digital marketing

Session 3: development for each 5 teams of 5 specific cases in each 5 previous segments:

- 5 sets of preparatory work (MOOC, readings) will be required for each 5 team prior to session 5 and will be provided at the end of session 4
- Predesigned supports will be provided
- Business cases will be based on real life cases and will cover enterprises functions such as Marketing, sale, finance, CFO, risk, compliance

Session 4: presentation of each 5-team work

- Preliminary preparation of presentations will be required
- Evaluation of teams

Session 5: Synthesis and illustrations with real life cases applied to each 5

- Illustrations with real life cases for each 5 business cases

TEACHING & LEARNING METHODS

- A list of required readings available on the net prior to each session will be provided
- PowerPoint presentations with interactive participation of participants
- Illustrations and videos
- Business cases (one for each team of 6 students) with opportunity to use a big Data Analytics tool to get a learning by doing approach

ASSESSMENT METHODS

The Final grade for the course will be combination of the following:

- A participation to the course during interactive session: 15% / The Objective is to evaluate the level of preparation through preliminary readings and support LO1
- The grade each team will get for their practical business case at the end of session 3: 35% / The Objective is to evaluate the quality of the preparation and presentation of the team business cases, the ability of the team to work together and impact on the audience during the presentation, this will support learning objectives LO2 and LO3
- The final Qualitative test will be 90 minutes long with 20 qualitative questions all related to content presented during the course and will essentially support all learning objectives LO1, LO2 and LO3 50%

READINGS
A list of MOOC, articles and a Big Data Guide will be provided in early September of 2016
17_M2_NI_CFB_S2_CFB_ELE_4888: START-UP LAB

NUMBER OF HOURS: 15
SEMESTER 2
INTERNATIONAL PROGRAMME - 2 ECTS
COURSE COORDINATOR: Cyril DEMARIA

COURSE OBJECTIVES

This elective aims at providing an understanding of the challenges associated with the early launch of a start-up by working with an entrepreneur on a real project. Students will act as “start-up consultants” under the guidance of the Professor, analysing the start-up and interacting with the CEO, setting up a brief of their mission, developing an answer in group work and delivering a high level presentation to the CEO and their peers. In doing so, students are expected to get a further grasp of the challenges of starting up a business.

LEARNING OUTCOMES

The purpose of this elective is for the students to:

- Structure their thinking in a context of low information, notably by listening, questioning in a structured way and setting up a work roadmap;
- Experience the specific context of start-up activities and evolution;
- Learn to self-manage their group and to set their own targets;
- Develop an answer and deliver it professionally to a professional;
- Listen to their peers, challenge and learn from them.

PREREQUISITES

Participants are encouraged to review their strategy, marketing, corporate finance and valuation classes to prepare for this course.

COURSE CONTENT

Each start-up lab elective is limited to 40 students per elective.

Introduction session (3:00):

i. Mini-lecture (90 mn)
ii. Presentation of the start-up by the CEO (30 mn)
iii. Students Q&A to the CEO (60 mn)
iv. Groupwork assignments (8 groups of 5 students)

Lecture (7:00)

Debriefing (5:00)

i. Student presentations (20 mn) and Q&A (15 mn)
ii. Feedback

TEACHING & LEARNING METHODS

The course content will be presented through a combination of lectures, students’ presentations, practical exercises and active sessions of Q&A. Participants are expected to actively participate, ask and answer questions and interact with other participants and the lecturer/CEO. Most importantly, quality of participation is encouraged over quantity.

ASSESSMENT METHODS

- Case presentation (group work): 80%
- Participation (individual work): 20%

READINGS

Books:


Useful websites:

- Crunchbase
- TheFunded.com
17_M2_NI_CFB_S2_ELE_FIN_853: PRIVATE BANKING

NUMBER OF HOURS: 15
SEMESTER 2
INTERNATIONAL PROGRAMME - 2 ECTS
COURSE COORDINATOR: Luis SANCHEZ DE LAMADRID / TBC

COURSE OBJECTIVES

The Wealth management industry has been evolving in the past years and due to increasing regulation like Mifid II it is under pressure to gain efficiency to be considered a key division for most financial institutions. On the other hand the private client has increased his financial knowledge, especially after the last crisis, therefore have become more demanding in terms of knowledge and services. We will analyse the industry worldwide with a European focus, competitors and new comers. Also we will study in depth the different approaches to markets, type of clients, services and requirements to provide them.

LEARNING OUTCOMES

After having taken this course participants will be able to:

- Understand the wealth management industry and the main needs from clients and recognize the main players in the sector and their strategies
- Have a comprehensive view of most vehicles and products used in the industry
- Increase awareness of the new coming regulation
- Acknowledge new trends in the sector

PREREQUISITES

None. A basic knowledge of financial markets

COURSE CONTENT

- The wealth management industry
- Market & client segmentation
- Type of services offered in Private Wealth management industry
- Most common vehicles used
- The client acquisition process
- Family offices structure
- Succession planning and structuring
- Different roles in a wealth management institution
- Main market trends
- How to position a financial institution in an advanced market
- Compliance, Mifid II, AML, FATCA.....
- New challenges for the different private wealth industry

TEACHING & LEARNING METHODS

It would be organized lectures backed by slides and we will use examples and brief cases to enhance the understanding of the subject.
ASSESSMENT METHODS

- 40% individual class participation
- 60% of final individual exam

READINGS

Recommended:

- Wealth, by Stuart E. Lucas
- The wealth report 2015 by Knight Frank
- Global Wealth report 2015 by Credit Suisse