



This learning unit is not open to incoming exchange students!

| | |
|---------------------|---|
| Teacher(s) | Girard Alexandre ; |
| Language : | French |
| Place of the course | Bruxelles Saint-Louis |
| Learning outcomes | <p>At the end of this learning unit, the student is able to :</p> <p>The aim of the course is to provide students with a formal understanding of the main concepts of corporate finance and financial institutions. The principal concern of this course is to examine the roles and the importance of financial intermediaries. It focuses primarily on the variety of funding sources and the use of those funds in order to articulate and understand strategic issues in financial intermediation. In addition, students should master the basic concepts of corporate finance to assess the value of firms or investment projects.</p> |
| Evaluation methods | <p>The written exam primarily aims to assess students' knowledge and analytical abilities in dealing with a complex problem. The exam consists of various practical exercises: analysis of a current news article, numerical exercises, and theoretical questions related to the concepts covered in the course.</p> <p>Students will need to have a comprehensive and critical understanding of the course in order to make connections between its different parts.</p> |
| Teaching methods | The course objectives are achieved via weekly theoretical lectures accompanied with topical example. |
| Content | <p>This course is divided into two parts.</p> <p>The first part will focus on the functioning and organization of financial institutions. By relying on the concepts of conflicts of interest and information asymmetry, students will assess the importance of financial intermediation in transferring funds from agents with a financial surplus to those with a deficit. The role of financial institutions in transferring and managing risk will also be analyzed, with particular attention to issues of liquidity and solvency, as well as a detailed examination of how these institutions operate. These insights will help better understand the risks associated with managing financial institutions and the rationale behind the regulation of this sector. Numerous analyses of the current situation of financial intermediaries will be used to illustrate these concepts.</p> <p>In the second part, this course will focus on corporate finance and introduce students to the tools necessary for evaluating investment projects and valuing companies. In this regard, this section will concentrate on the links between accounting and corporate finance, the influence of capital structure on financial decisions, and the valuation of firms and investment projects. This second, more quantitative part will be illustrated with various examples and numerical exercises.</p> <p>Detailed Content:</p> <p>Part 1: Financial Institutions</p> <p>I.1 - Role and organization of the financial system I.2 - Why do financial institutions exist? I.3 - Structure of financial intermediaries I.4 - Introduction to financial regulations I.5 - Governance of financial institutions I.6 - Historical and current issues</p> <p>Part 2: Corporate Finance</p> <p>II.1 - Financial Diagnosis II.2 - (Review of) Corporate Finance II.3 - Business Valuation II.4 - Valuation of a Financial Firm</p> |
| Bibliography | <p>Applied Corporate Finance, 4th Ed., A. Damodaran, Wiley, 2015.</p> <p>Finance, A. Farber, M-P. Laurent, K. Oosterlinck and H. Pirotte, Pearson Education, 2004.</p> <p>Financial Markets and Institutions, F.S. Mishkin and S.G.Eakins, Pearson, 2015.</p> <p>Financial Markets and Institutions, 6th Ed., A. Saunders and M. Cornett, McGraw Hill, 2015.</p> <p>Investments and Portfolio Management, Global Edition, McGraw Hill, 2010.</p> <p>Principle of Corporate Finance, 9th Ed., Brealey R., S. Myers and M. Allen J., McGraw Hill, 2011.</p> <p>Risk Management and Financial Institutions, 4th ED., J.C. Hull, Wiley, 2015.</p> |

| | |
|-----------------------------|------|
| Faculty or entity in charge | ESPB |
|-----------------------------|------|

| Programmes containing this learning unit (UE) | | | | |
|---|---------|---------|--------------|---|
| Program title | Acronym | Credits | Prerequisite | Learning outcomes |
| Advanced Master in Financial Risk Management (shift schedule) | GRFB2MC | 6 | |  |