

## **Course Descriptions CiE**

**Course code:** B611

**Course title:** Finance and Investment

**Hours per week:** 2

**Number of ECTS Credits allocated/work load:** 3 ECTS

**Semester:** 6

### **Course contents:**

- Investment decisions under certainty and uncertainty
  - Static and dynamic investment appraisal techniques
  - Simple correction method, Sensitivity and Risk analysis, Decision theory
- Capital budgeting
- Internal and external financing sources in Corporate Finance
  - Equity financing, Credit and Bond financing, Mezzanine financing
  - Surplus financing, Asset shifting
- Risk management
  - Introduction into Swaps, Forwards, Futures and Options

**Prerequisites:** none

### **Objective of the course/learning outcome:**

Students should become familiar with the basic instruments and the functionality of investment and financing concepts. In particular candidates will:

- get to know investment appraisal methods, their application possibilities and limitations
- learn the basic approach to investment decisions with limited financial resources
- become acquainted with various financing sources which are available to different companies
- study the importance of interest rates and the cost of capital for corporate finance as well as for investment decisions
- get to know the main features of risk management instruments

Applying and assessing the presented concepts as well as identifying the interrelation between these concepts will be central to the course.

### **Recommended Reading:**

Brearly, Richard / Myers, Stewart / Allen, Franklin (2005): Principles of Corporate Finance, 8th edition, New York et al.

Röhrich, Martina (2007): Fundamentals of Investment Appraisal, Munich.

**Teaching methods:** Lecture, case studies, homework assignments

During the course theoretical models will be developed using case studies. In order to consolidate the newly acquired knowledge students will then work on exercises by themselves or in groups.

**Assessment methods:** Written exam

**Language of instruction:** English

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**Link:** [http://tr.fh-muenchen.de/index.php?seite=stundenplan\\_detail&id=598&art=Vorlesung](http://tr.fh-muenchen.de/index.php?seite=stundenplan_detail&id=598&art=Vorlesung)