

Winter Semester 2013/2014

Institut für allgemeine Wirtschaftsforschung
Abteilung für Wirtschaftstheorie

Empirical Corporate Finance

Block lecture

Dr. Christian Hirsch
Universität Frankfurt

Target Audience: Students attending the Master Programs M.Sc. VWL or M.Sc. Economics (Finance).

Prerequisites: Previous exposure to Corporate Finance

Credit points: 4 ECTS. Credit points can be earned towards the M.Sc. VWL or M.Sc. Economics (Finance)

Exam: A 90 minute written final exam will be given at the end of the semester. **No retake exam.**

Literature: Tjia, 2009, Building Financial Models, 2nd Edition, McGraw-Hill.
Brunner/Eades/Schill, 2009, Cases Studies in Finance, 6th Edition, McGraw-Hill.

Learning Outcomes: Knowledge: This course is concerned with two main themes: financial modelling and valuing firms. Financial models are used to forecast the future financial performance of a company. This is done by linking the 3 financial statements of financial disclosure by accounting logic through Excel formulas. These models are at the heart of many corporate finance applications such as DCF valuation, investment analysis or cash management.

The course is structured into three parts. The first part introduces students to Excel. Although students may have been exposed to

Excel before they may not know how to use styles or data tables. The second part introduces students to the basic concepts underlying financial modelling. We will start off by introducing the basic building blocks of financial modelling in a very simple model. We will then move on to build more complex models and also briefly touch upon more advanced topics such as circular references. The last part applies financial modelling to firm valuation.

Please note that the syllabus is subject to change. The final version will be distributed at the beginning of the course.

Skills: We emphasize the development of problem-solving skills based on a good understanding of financial modelling as opposed to mindless number exercise. Because of the practical importance of the material, we will discuss examples and cases.

Competences: This course will provide students with knowledge to prepare them for a career in general management (e.g. CEO or CFO) or the banking industry.

Format Lecture, Cases/Exercises (Excel).

Module Overview:

1. Introduction to Excel
 - a. Getting started with Excel
 - b. Styles
 - c. Build-in functions
2. Building financial models
 - a. Setting the stage
 - b. Building a pilot model
 - c. Circular references
 - d. Building an integrated financial model
 - e. Financial ratios
3. Putting it all together
 - a. Case study 1
 - b. Case study 2

Timetable and Venues

Date	Time	Room
Thursday 2014-01-16	12-14	Sitzungssaal, Wilhelmstr. 26
	16-18	KG I - HS 1134
Friday 2014-01-17	8.30-10	KG I - HS 1023
	12-14	HS 00 006, Wilhelmstr. 26
Thursday 2014-01-23	12-14	Sitzungssaal, Wilhelmstr. 26
	16-18	KG I - HS 1134
Friday 2014-01-24	8.30-10	KG I - HS 1023
	12-14	Sitzungssaal, Wilhelmstr. 26
Thursday 2014-01-30	12-14	Sitzungssaal, Wilhelmstr. 26
	16-18	KG I - HS 1134
Friday 2014-01-31	8.30-10	KG I - HS 1023
	12-14	HS 00 006, Wilhelmstr. 26