

COURSE DESCRIPTION

Course code	Course group	Volume in ECTS credits	Course valid from	Course valid to	Reg. No.
EKF5004	C	6	2016 03 31	2019 03 01	

Course type	Compulsory
Course level	Master
Semester	1
Form of studies	Face-to face

Course title in Lithuanian

VERSLO FINANSAVIMO MODELIAI IR INSTRUMENTAI

Course title in English

BUSINESS FINANCING MODELS AND INSTRUMENTS

Short course annotation in Lithuanian (up to 500 symbols)

Dalyko paskirtis yra didinti ir gilinti studentų žinias bei plėtoti kompetencijas, būtinas siekiant atlikti verslo finansavimo poreikių analizę ir įvertinimą, priimti efektyvius sprendimus pasirenkant tinkamus verslo finansavimo modelius ir instrumentus. Dalykas apims 2 pagrindines sritis: finansų poreikiai (ilgalaikė, trumpalaikė perspektyva) įvairiose verslo įmonėse (skirtingo dydžio, veiklos stadijos, veiklos pobūdžio ir pan.) bei įvairūs finansavimo instrumentai, produktai ir modeliai (skolintas, nuosavas, tarpinis kapitalas, valstybės finansavimas ir pan.). Pagrindinės šio dalyko mokymo formos apima paskaitas, seminarus ir individualias bei kolektyvines užduotis.

Short course annotation in English (up to 500 symbols)

The objective of the course is to enhance students' knowledge and develop their competences needed in order to analyze and estimate business financing needs and make efficient decisions about choosing adequate business financing models and instruments. Two main areas will be covered in the course: financial needs (short-term, long-term perspectives) of various business companies (small and large firms, development stage of company, field or sector of activity, etc.) and various financial instruments, products and models (debt, equity, mezzanine, public financing, etc.). The main teaching forms used in this course are lectures, seminars, and individual team assignments.

Prerequisites for entering the course

Corporate Finance, Accounting

Course aim

The course is designed to develop competencies, necessary to analyze, model and forecast business financial flows, to estimate financing needs and to apply financial instruments, supporting various financing decisions for the business enterprises, varying by life cycle stage (i.e. start-up, mature) or competitive strategic position.

Links between study programme outcomes, course outcomes and criteria of learning achievement evaluation

Study programme outcomes	Course outcomes	Criteria of learning achievement evaluation
1. Demonstrate knowledge of classical and modern financial, accounting, economic and management theories, models, methods and findings of applied research in the changing macroeconomic and business environment.	7. To explain and evaluate the firm's financing strategy in the light of theoretical knowledge and empirical evidence.	Student can explain and operate the concepts of capital structure; capital costs; financial leverage; financial value and risk; financing sources and instruments; trade off theory and pecking order theory; He/ she presents and discuss the critical views and empirical evidence on that topic based on the readings of recent research publications.
5. Know and be able to apply modern methods and instruments for complex strategic financial and investment decision making, financial risk assessment, financial and investment policy development, based on assessment of alternatives.	3. To describe, analyze and evaluate main concepts and features of different business financing instruments.	Student can describe and compare the features of various business financing instruments
	4. Be able to evolve, analyse and evaluate alternatives of business financing decisions, applying different financial instruments.	Student proposes at least two enterprise financing strategy alternatives at the given business case context; he/she is able to recommend

		suitable financing instruments, from those covered in the course. Student is able to evolve the sensitive computation model for making cash flow forecasts and estimating the impact of different financing alternatives on the cash balance and value of the firm.
10. Be able to apply both classical and innovative financial models, methods and tools for investment portfolio formation and management, financial risk management, performance evaluation and finance decisions of the firm, aimed at value creation.	1. To recognize in a real business context and be able to apply the theoretical concepts and financial models of enterprise value, value drivers and business financial decision making.	Student recognizes the main value drivers of a given business; he/ she is able to estimate the value of business enterprise as a whole and/ or the given investing and/ or financing decision alternatives using theoretical valuation models.
12. Be able to recognize complex financial problems and perform their comprehensive financial and relevant interdisciplinary analysis and assessment by applying modern methods and tools.	2. To analyse business strategy and performance and estimate financing needs for different business cases (in terms of firm size, life-cycle stage, capital structure etc.); with respect to external and internal business factors.	Student is able to link business performance with its strategy through the main value drivers; he/ she is able to draw the assumptions on business growth and profitability in the future.
13. Be able to perform efficiently in a team, take responsibility, share knowledge and communicate for problem solving and decision-making.	5. Be able to perform efficiently in a team, take responsibility, share knowledge and communicate for problem solving and decision-making.	Student efficiently contributes to the team work by doing their homework, solving and presenting case studies and problems in the class.
15. Demonstrate an expertise in finance in the professional activities and scientific research, abilities of written and oral presentation, opinion defending and constructive discussion.	6. Be able to provide the relevant, well connected and structured, illustrated presentations of financial problems and solutions; both in oral and written form for the business and academic professionals;	Student demonstrate good professional written and oral presentation skills, uses correct terms for business problem formulation, provides explanations and argumentation of proposed solution,

Link between course outcomes and content

Course outcomes	Content (topics)
1. To recognize in a real business context and be able to apply the theoretical concepts and financial models of enterprise value, value drivers and business financial decision making.	<i>Topic 1.</i> The scope of the finance management. Discussion on goals, values and performance of business firm. <i>Topic 2.</i> Business analysis. Qualitative business strategy analysis: business value concept, identification of value drivers, resources and capabilities. Analysis of financial statements: Applying ROE decomposing to assess performance by value drivers. Performance measures for credit ratings.
2. To analyse business strategy and performance and estimate financing needs for different business cases (in terms of firm size, life-cycle stage, capital structure etc.); with respect to external and internal business factors.	<i>Topic 3.</i> Financial forecasting and modeling. Sales and income forecasts. Long term and short term forecasting techniques. Seasonality. Financial modeling: working on pro-forma financial statements; building assumptions. Defining the need of additional finance, internal and external sources of funds; Risk factors, sensitivity and scenarios of the forecast. <i>Topic 4.</i> Capital budgeting. Incremental cash flow analysis. Investment decision making rules.
3. To describe, analyze and evaluate main concepts and features of different business financing instruments	<i>Topic 5.</i> Internal and external sources of finance. Financing choices and the firms' life cycle. Small business financing. Capital structure decisions from the traditional

4. Be able to evolve, analyse and evaluate alternatives of business financing decisions, applying different financial instruments;	and behavioral finance theory perspectives. <i>Topic 6.</i> Long term financing sources: Financial Debt. Bonds. Lease. Equity financing. IPO process and stock valuation. <i>Topic 7.</i> Short term financing instruments: Trade credit. Commercial paper. Secured loan. Factoring.
5. Be able to perform efficiently in a team, take responsibility, share knowledge and communicate for problem solving and decision-making	<i>Topics 1, 2, 3, 4, 5, 6, 7.</i> Group activities: written homework, case analysis; problem solving in class; presentations.
6. Be able to provide the relevant, well connected and structured, illustrated presentations of financial problems and solutions; both in oral and written form for the business and academic professionals;	<i>Topics 1, 2, 3, 4, 5, 6, 7.</i> Activities: Presentations; discussions; written homework.
7. To explain and evaluate the firm's financing strategy in the light of theoretical knowledge and empirical evidence.	<i>Topics 1, 2, 3, 4, 5, 6, 7.</i> Activities: Reading and summarizing scientific literature, presentations.

Study methods

Teaching methods: providing information (explaining illustrating), case explanation (lecture-based cases); formulating and explanation of problems and practical tasks; moderating discussions; consulting.

Learning methods: *Group work:* case analysis tasks; literature analysis, summarizing and readings presentation in class; written homework and its presentation in class: financing strategy of the real enterprise, *Individual work:* course literature analysis, gathering public statistical and financial information, independent exercising on practical tasks in financial analysis, problem solving, building financial models and forecasts.

Methods of learning achievement assessment

Written exam; assessment of case presentation and solution; assessments of readings presentations (3); internal and final assessment of written homework and presentations, assessment of individual work (contribution to class discussions).

Distribution of workload for students

Lectures – 30 hrs.

Seminars and case analysis - 15hrs.

Team work (using IT) – 15 hrs.

Individual work of the student (preparation for class work, reading, individual problem solving, *preparation of presentations, writing paper works; preparation for exam*) – 100hrs.

Structure of cumulative grade

Individual work assessment – 10%

Assessment of readings presentations (3) and case (1) presentation and solution – 20%

Homework assessment – 20%

Final examination - 50 %

Recommended literature

No.	Publication year	Authors of publication and title	Publishing house	No. of copies		
				Library of University	Self study rooms	Other libraries
Compulsory literature						
1.	2010	Keršys, M..Business Financing Models and Instruments.	VDU	5	20	-
2	2008	Palepu, K.G., Healy, P.M. Business Analysis and Valuation, using Financial Statements.	Thomson South Western	1	2	
3	2015	Grant, R.M.. Contemporary Strategy Analysis. Text and Cases. (9 th ed.)	Wiley	1	-	
Supplementary literature						
4	2007	Metrick, A. Venture Capital and the Finance of Innovation	John Wiley and Sons		1	
5	2012	Lerner, J., Leamon, A., Hardymon, F.. Venture Capital, Private Equity, and the Financing of Entrepreneurship.	John Wiley & Sons, Inc.	1	-	

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6	2012	Ragsdale, C.T.. Spreadsheet Modeling and Decision Analysis: A Practical Introduction to Business Analytics, 7ed.	Cengage Cearning	1	-	
7	2006	Atrill, P. Financial management for decision makers.	Prentice Hall	1	-	
8	2007-2014	Articles from Journal of Finance, Journal of Financial Management, Journal of Business Administration, Baltic Journal of Management and other journals	On-line			

Course description designed by

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