

**Subject card**

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|--|---|--|-----------------------------------|-------------------------------------|--|------------|-----|
| <b>Subject name and code</b>                       | Corporate Finance and Equity Valuation, PG_00177645   |  |                                   |                                     |  |            |     |
| <b>Field of study</b>                              | Finance and Accounting  |  |                                   |                                     |  |            |     |
| <b>Date of commencement of studies</b>             | October 2026  | <b>Academic year of realisation of subject</b>           |                                   |                                     | 2027/2028  |            |     |
| <b>Education level</b>                             | Master's studies  | <b>Subject group</b>                                     |                                   |                                     | Obligatory subject group in the field of study<br>Optional subject group<br>Subject group related to scientific research in the field of study |            |     |
| <b>Mode of study</b>                               | full-time studies   | <b>Mode of delivery</b>                                  |                                   |                                     | at the university  |            |     |
| <b>Year of study</b>                               | 2   | <b>Language of instruction</b>                           |                                   |                                     | English  |            |     |
| <b>Semester of study</b>                           | 3   | <b>ECTS credits</b>                                      |                                   |                                     | 6.0  |            |     |
| <b>Learning profile</b>                            | academic  | <b>Assessment form</b>                                   |                                   |                                     | exam   |            |     |
| <b>Conducting unit</b>                             | Department of Corporate Finance -> Faculty of Management -> Rector  |  |                                   |                                     |  |            |     |
| <b>Name and surname of lecturer (lecturers)</b>    | <b>Subject supervisor</b>   |  | dr Magdalena Gostkowska-Drzewicka |                                     |  |            |     |
|  | <b>Teachers</b>   |  |                                   |                                     |  |            |     |
| <b>Lesson types</b>                                | <b>Lesson type</b>  | Lecture  | Tutorial                          | Laboratory                          | Project  | Seminar    | SUM |
|  | <b>Number of study hours</b>  | 15.0   | 30.0                              | 15.0                                | 0.0  | 0.0        | 60  |
|  | E-learning hours included: 0.0  |  |                                   |                                     |  |            |     |
| <b>Learning activity and number of study hours</b> | <b>Learning activity</b>  | Participation in didactic classes included in study plan |                                   | Participation in consultation hours |  | Self-study | SUM |
|  | <b>Number of study hours</b>  | 60   |                                   | 4.0                                 |  | 86.0       | 150 |
| <b>Subject objectives</b>                          | To familiarise students with various equity valuation methods and underlying corporate finance concepts, as well as to develop the ability to apply selected methods of business valuation in practice. |  |                                   |                                     |  |            |     |

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| Learning outcomes   | Course outcome   | Subject outcome   | Method of verification   |
|   | [FiRMU2_U03] Students can gather data from carefully chosen sources to verify its accuracy. They can then use and present both financial and non-financial information to analyze and evaluate economic processes and phenomena in management and quality sciences, as well as in economics and finance.   | The student collects, evaluates, and integrates financial and market data to conduct corporate finance analyses and valuation tasks. The student presents conclusions based on data interpretation and is able to explain their implications for managerial decisions, investor expectations, and firm strategy.            | [SU2] presentation/project/paper/report<br>[SU4] test/exam - oral or written<br>[SU5] implementation of a problem task |
|   | [FiRMU2_U04] From a finance and accounting perspective, students are able to select and effectively use, adapt, or develop new methods and tools from the fields of management, quality sciences, and economics. They can analyze and forecast economic processes as well as evaluate economic phenomena.  | The student selects and applies appropriate financial and valuation methods to support managerial decisions regarding capital structure, payout policy, and value creation. The student can model financial outcomes and assess the implications of alternative corporate finance strategies on firm value and performance. | [SU2] presentation/project/paper/report<br>[SU4] test/exam - oral or written<br>[SU5] implementation of a problem task |
|   | [FiRMU2_W02] The student possesses a comprehensive understanding of the complexities and functions of both domestic and international financial markets, as well as financial instruments and institutions.  | The student understands how capital structure, payout policy, and firm value interrelate within domestic and international financial markets. The student can characterise the role of financial instruments and equity valuation in corporate financial decisions and market performance.                                  | [SW4] test/exam - oral or written<br>[SW2] presentation/project/paper/report<br>[SW5] implementation of a problem task |
| [FiRMU2_W05] The student possesses a comprehensive understanding of advanced and innovative methods, tools, and techniques for obtaining, utilizing, and analyzing data needed to assess the financial situation of various entities in management, quality sciences, economics, and finance. | The student is able to identify, justify, and apply appropriate tools for analyzing the financial position of a company, including cost of capital estimation, valuation models, and performance indicators. The student understands the limitations and assumptions underlying each method in different business contexts.  | [SW4] test/exam - oral or written<br>[SW2] presentation/project/paper/report<br>[SW5] implementation of a problem task  |  |
| Subject contents  | <ol style="list-style-type: none"> <li>1. Cost of Capital in Business Valuation</li> <li>2. Payout Policy and Its Impact on Firm Value</li> <li>3. Objectives and Functions of Business Valuation</li> <li>4. The Firm as the Subject of Valuation</li> <li>5. Determinants of Firm Value</li> <li>6. Types of Business Value</li> <li>7. Information Sources in Business Valuation</li> <li>8. Pre-Valuation Analyses</li> <li>9. Classification of Valuation Methods</li> <li>10. Conditions, Advantages, and Limitations of Valuation Methods</li> <li>11. Application of Valuation Techniques: Case Studies and Practical Exercises</li> </ol> |   |  |
| Prerequisites and co-requisites   | Fundamentals of accountancy, financial analysis, corporate finance, quantitative methods   |   |  |
| Assessment methods and criteria   | Subject passing criteria   | Passing threshold   | Percentage of the final grade  |
|   | Written test   | 51.0%   | 25.0%  |
|   | Project  | 51.0%   | 25.0%  |
|   | Written test   | 51.0%   | 25.0%  |
| Individual / pairwise assignment  | 51.0%  | 25.0%   |  |
| Recommended reading   | Basic literature   | <ol style="list-style-type: none"> <li>1. Pinto J.E., Henry E., Robinson T.R., Stowe J.D., CFA Equity Asset Valuation, any edition, Wiley.</li> <li>2. M.R. Clayman, M.S. Fridson, G.H. Troughton, Corporate Finance. A Practical Approach, CFA Institute, any edition, Wiley.</li> </ol>                                   |  |

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|  | Supplementary literature   | <p>1) A. Damodaran: Corporate Finance: Theory and Practice. any edition, Wiley.</p> <p>2) P. Asquith, L.A. Weiss: Lessons in Corporate Finance, any edition, Wiley</p> <p>3) R. Brealey, S.C. Myers, and F. Allen, Principles of Corporate Finance, any edition, McGraw-Hill.</p> <p>4) R.C. Higgins, Analysis for Financial Management, any edition, McGraw-Hill.</p> <p>5) Ross, A., Westerfield, R. W., Jaffe, J. F. Corporate Finance, any edition, McGraw Hill.</p> <p>6) J. Koralun-Bereźnicka (2013), Corporate Performance. A Ratio-Based Approach to Country and Industry Analyses, Springer.</p> |
|  | eResources addresses   |  |
| Example issues/<br>example questions/<br>tasks being completed | <p>1) A company is considering issuing new equity. The current price of their shares is \$68 per share and the company expects to raise its current dividend of \$3,7 by 3% indefinitely. If the flotation cost is expected to be 8% of the share price, what would be the cost of this new source of capital? Provide an interpretation of your result.</p> <p>Select the appropriate data items from the financial details provided needed to calculate the equity share value for company X at the end of year 20NN applying the valuation method of dividend discount model and the CAPM for estimating cost of equity. The dividend recently paid out by the company was \$2,3 per share. The company maintains annual dividend payment policy. The market share price on 31st Dec. 20NN was \$73,11. The nominal cost of debt is 12%. Provide an interpretation of your result relative to the market price.</p> |  |
| Work placement   | Not applicable   |  |

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