

# Corporate Finance

## Second module, 2020-2021 academic year

**Sergey Kovbasyuk**  
New Economic School  
skovbasyuk@nes.ru

**TAs:** Nikita Ermakov [nermakov@nes.ru](mailto:nermakov@nes.ru), Renata Battalova [rbattalova@nes.ru](mailto:rbattalova@nes.ru).

### Course description

---

This course introduces main concepts and approaches in corporate finance: the notion of corporation, time value of money, investment decision rules, firm valuation, capital markets and pricing of risk, optimal portfolio choice and capital asset pricing model.

### Course requirements, grading, and attendance policies

---

The final grade will be based on the final exam (70%) and on three home assignments (30%). Students will have two weeks to solve each home assignment.

### Course contents

---

- Overview of the Financial System, Mishkin Eakins chapters 1-2.  
The rest of the class will be based on Berk DeMarzo textook
- The Corporation, arbitrage and financial decision-making.
- Time value of money, Interest rates.
- Investment decision rules, capital budgeting.
- Valuing stocks and bonds.
- Capital Markets and the Pricing of Risk.
- Optimal Portfolio Choice and the Capital Asset Pricing Model.
- Estimating the cost of capital.

### Description of course methodology

Main concepts will be introduced during lectures; examples will be solved during TA sessions. Home assignments and the final exam will be based on the material covered in lectures and TA sessions. Students are expected to actively participate in the discussion in the class.

### Course materials

---

#### Required textbooks and materials

Main textbooks:

- “Corporate Finance”, by Jonathan Berk and Peter DeMarzo,
- “Financial Markets and Institutions”, by Frederic Mishkin and Stanley Eakins.

Additional materials:

- “Corporate Finance” by Ivo Welch (can be found here <http://book.ivo-welch.info/read/>),
- “The Theory of Corporate Finance”, by Jean Tirole,
- “Investments”, by Zvi Bodie, Alex Kane, and Alan Marcus,
- 2009, [Финансовая грамота](#), Алексей Горяев и Валерий Чумаченко.

### Academic integrity policy

---

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.