

PRESENTATION OF ELECTIVES:

INVESTMENTS AND CORPORATE FINANCE

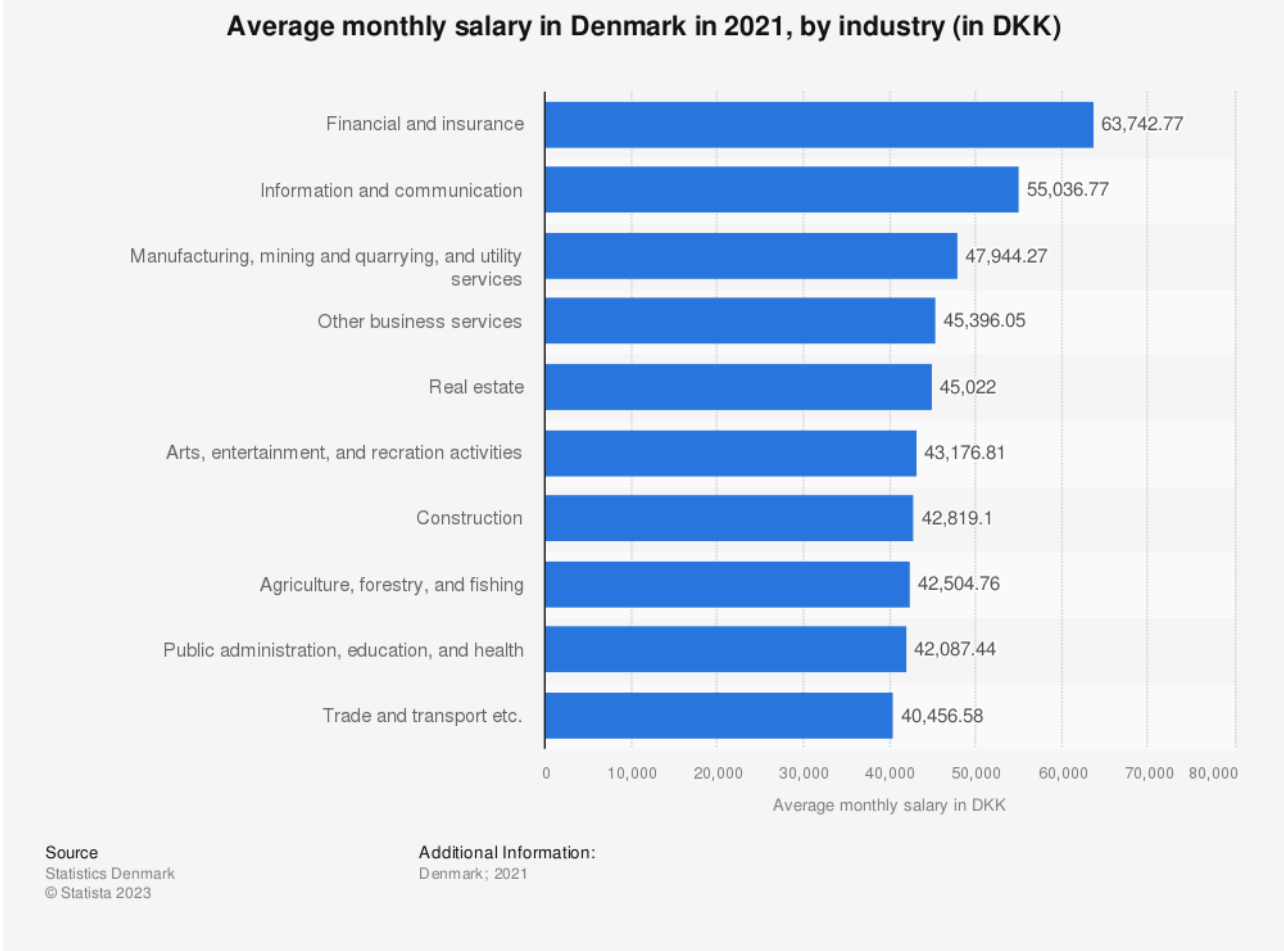


DEPARTMENT OF ECONOMICS
AND BUSINESS ECONOMICS
AARHUS UNIVERSITY

FALL 2024



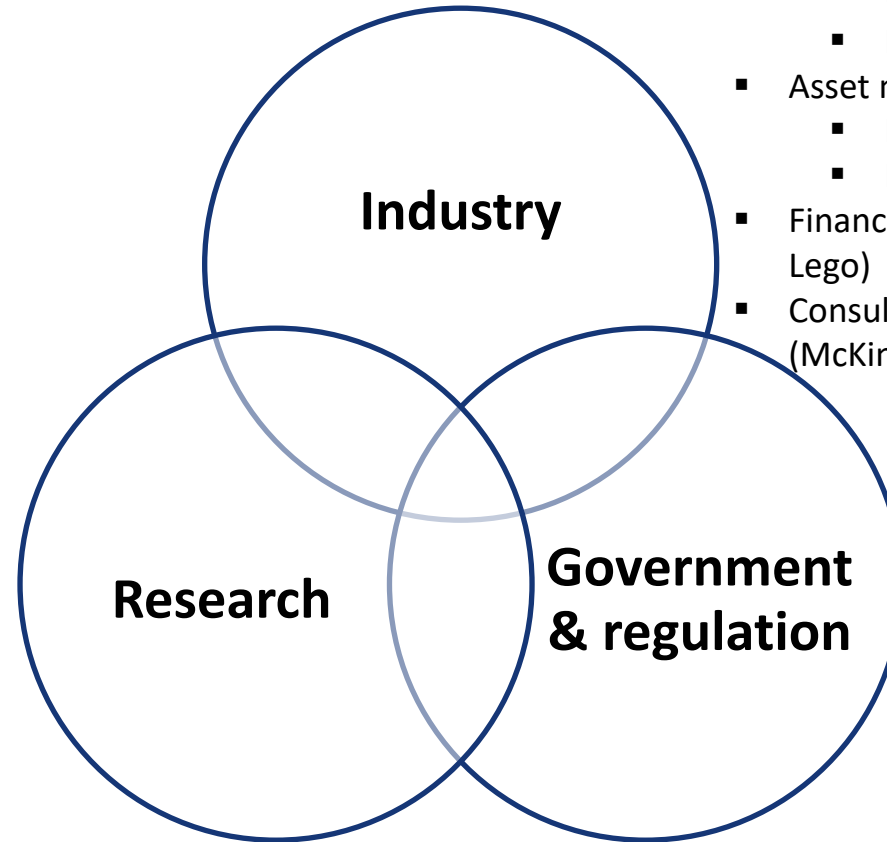
A CAREER IN FINANCE MAY HAVE A POSITIVE NPV



WHERE ICF MAY FOSTER YOUR CAREER PLANS:

Examples:

- Universities
- Research centers



Examples:

- Banks
 - Universal banks
 - Investment banks
- Asset management
 - Investment funds
 - Insurances
- Finance functions at large firms (Vestas, Maersk, Lego)
- Consulting firms (McKinsey, BCG, Big Four)

Examples:

- Nationalbanken
- Statistics Denmark
- Ministry of economics/finance
- EU commission

INVESTMENTS AND CORPORATE FINANCE

3 elective courses in one setting

Investments and Corporate Finance

- 10 ECTS
- Weeks 36-49

Corporate Finance

- 5 ECTS
- Weeks 36-41

Investments

- 5 ECTS
- Weeks 43-49

LECTURERS

Stefan Hirth, <http://hirth.dk/>

- Lectures on **Corporate Finance** part of the course
- Research in corporate finance

Steffen Meyer, <https://steffen-meyer.net/>

- Lectures on **Investments** part of the course
- Research in investment decisions

LITERATURE

Same textbooks as 4th semester finance courses (HA/BScB)

- Corporate Finance, Berk & DeMarzo (BD)
- Investments, Bodie, Kane & Marcus (BKM)

Additional readings (available online)

- "Event Studies", Chapter 14 in Benninga, S.: Financial Modeling, Fourth Edition, MIT Press. (A1)
- Realkreditrådet: The traditional Danish mortgage & covered bond model (A2)

STRUCTURE

Lectures

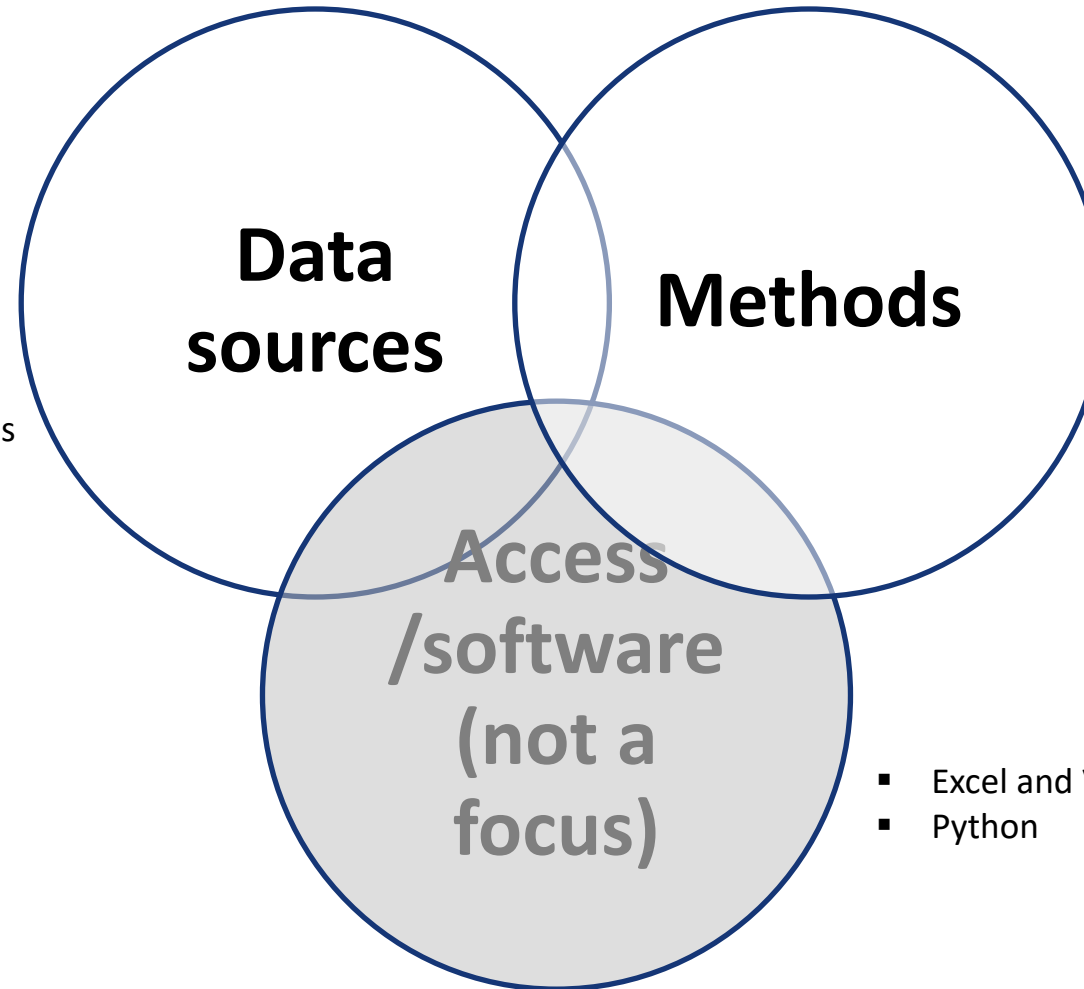
- 4 lectures per week for 6+6 weeks
- When relevant, a new topic will begin with a brief recap from 4th semester Finance (HA/BScB)
- For HA(jur.) students: Expect some extra work for reading up what is not covered in your previous courses!

Problems

- Problems identified for each topic
- No exercise classes
- Solutions at BS
- Recap of selected problems at lectures

NEW CONTENT SINCE 2023 (4 X 90 MINUTES): A BIG FOOT INTO BIG DATA - SOURCES AND APPLICATIONS

- Public
 - Yahoo / google finance
 - French data library
 - EDGAR / SEC
- Subscription (at BSS)
 - Eikon
 - Datastream
 - Lipper
 - Corporate Actions
 - WRDS
 - Compustat
 - Execucomp
 - Orbis



- **Corporate Finance**
 - Data collection
 - Data preparation
 - Event-studies
 - Theory
 - Practice
- **Investments**
 - Backtesting of strategies using econometric methods and introduction to empirical asset pricing
 - Textual analysis
 - Difference-in-difference (policy evaluation)
- Excel and VBA
- Python

TOPICS CORPORATE FINANCE (2023)

Week	Date	Lecture	Topic	Literature
36	4/9	1	Introduction to Corporate Finance Raising equity capital	BD 23
36	7/9	2	Raising equity capital	BD 23
37	11/9	3	Debt financing	BD 24
37	12/9	4	Leasing	BD 25
37	15/9	5	Payout policy	BD 17
38	18/9	6	Working capital management	BD 26
38	21/9	7	Short-term financial planning	BD 27
38	22/9	8	Event studies	A1
39	25/9	9	Mergers and acquisitions	BD 28
40	2/10	10	Mergers and acquisitions	BD 28
40	5/10	11	Real options	BD 22
40	6/10	12	Real options	BD 22
41	9/10	13	Corporate governance	BD 29
41	13/10	14	Exam Q&A	
42			Fall break	

TOPICS INVESTMENTS (2023)

43	23/10	15	Introduction to Investments How securities are traded Futures markets	- BKM 3 BKM 22
45	10/11	16	Futures, swaps, and risk management	BKM 23
46	13/11	17	Data camp 1: Data sources available to students at Aarhus BSS	-
46	17/11	18	Index models	BKM 8
47	20/11	19	APT and multifactor models	BKM 10
47	24/11	20	Data camp 2: Using data sources in finance	-
48	27/11	21	Behavioural finance and technical analysis	BKM 12
48	27/11	22	Empirical evidence on security returns	BKM 13
48	01/12	23	Portfolio performance evaluation	BKM 24
49	04/12	24	Mutual funds & ETFs Data camp 3: Getting data and avoiding Pitfalls	BKM 4
49	04/12	25	Hedge funds / International diversification	BKM 26 / 25
49	08/12	26	Data camp 4: Empirical methods in finance	-
50	11/12	27	Danish mortgage bonds	A2
50	11/12	28	Exam Q&A	

EXAM

Exam form

- On-site written exam with upload of the exam paper in WISEflow, use of the internet NOT allowed during the exam, own PC required.

Exam dates

- All exchange students in December
- All AU students in January

Exam duration

- I&CF: 4 hours
- I: 2 hours
- CF: 2 hours

Exam choices

- I&CF exam = I exam + CF exam