



SYLLABUS OF THE COURSE

Corporate Finance

Summer School
(FN552, ECTS5)

Misija ZSEM-a je prenijeti vrijednosti, znanja i vještine potrebne studentima za dugoročan uspjeh u globaliziranom poslovnom svijetu izloženom stalnim tehnološkim i tržišnim promjenama.

The mission of ZSEM is to transfer values, knowledge, and skills that students need for long-term success in a globalized business world undergoing constant technological and market transformations

LECTURERS

Lecturers: Dr. Antonija Kožul Kutleša (head of the course, lectures)
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CURRICULUM VITAE OF LECTURERS

Dr. Antonija Kožul Kutleša is the Director of Strategic Development at ETF Airways, where she leads transformative aviation projects including the establishment of a maintenance, repair, and overhaul (MRO) facility in Croatia. Prior to this, she was Director of Strategy and Business Development at Fortenova Group's Food Division, overseeing strategy and CAPEX allocation for companies with over €1 billion in revenue. Antonija began her career as a tenured Assistant Professor of Finance at the University of Zagreb, teaching Corporate Finance and Capital Budgeting for over a decade. She later joined McKinsey & Company, where she led strategy, turnaround, and synergy projects across Europe, North America, and the Middle East. In parallel, she advised private equity funds on investments and transformation of distressed assets. Antonija holds a Ph.D. in Finance and is a CFA charterholder.

SCHEDULE

Term 2: 13 July – 26 July, 2026

- **13 July:** Orientation Day
- **14–17 July:** Classes (4 days, 3h each day)
- **20–23 July:** Classes (4 days, 3h each day)
- **24 July:** Certificate Ceremony

COURSE SUMMARY

Every managerial decision has financial consequences, which is why corporate finance provides a structured framework for making value-creating business decisions. This course introduces the core principles of corporate finance with a strong focus on how companies make investment, financing, and valuation decisions in practice.

The course begins by establishing the role of corporate finance within the firm, including the objectives of financial management, agency problems, corporate governance mechanisms, and the functioning of financial markets and

institutions. Students then develop a solid foundation in financial accounting and performance analysis, enabling them to interpret financial statements and assess a company's financial position and performance.

Building on this foundation, the course introduces the time value of money as a central concept for all financial decision-making. Students learn how to value cash flows over time and apply these principles to real-life financial decisions. The course then progresses to the valuation of financial securities, including bonds and stocks, before moving to capital budgeting and investment decision criteria, with net present value as the central decision rule.

In the final part of the course, students apply discounted cash flow analysis to real investment projects, incorporating project risk, uncertainty, and operating leverage. The course concludes with the concept of the weighted average cost of capital and its role in project evaluation and firm valuation. Throughout the course, emphasis is placed on practical application, critical thinking, and the ability to translate financial analysis into clear managerial decisions.

The course combines lectures, short tests, individual assignments, and group case studies, culminating in a comprehensive project analysis and final presentation.

The objective of this course is to provide students with a structured understanding of the key principles of corporate finance and their application in real-world business decision-making. The course focuses on how financial concepts support value creation by guiding investment, valuation, and financing decisions within firms.

Through lectures, practical examples, short assignments, and a comprehensive case study, students gain insight into how corporate finance tools are used to evaluate projects, assess risk, allocate capital, and maximize firm value. Emphasis is placed on developing intuition alongside analytical skills, enabling students to understand not only how financial models work, but also when and why they should be applied.

The course is delivered through a combination of lectures and applied sessions. Core concepts are reinforced through business cases, homework assignments, real-life examples, and seminar-style discussions, encouraging students to actively engage with the material rather than passively absorb it.

Students are expected to attend lectures, prepare in advance by reviewing assigned reading materials, and actively participate in class discussions. Class participation is an integral part of the learning process, as it fosters critical thinking, challenges assumptions, and deepens understanding of financial decision-making in practice. Students should be prepared to answer questions and contribute to discussions during lectures.

Open communication between students and the instructor is strongly encouraged. Questions, discussions, and suggestions are welcome both during lectures and through additional communication channels, including e-mail and scheduled consultations.

COURSE OBJECTIVES AND LEARNING OUTCOMES

	<u>Course objectives</u>	<u>Learning outcomes</u>
1.	Ethics and Social Responsibility in Corporate Finance: Students will develop an understanding of the importance of ethical behaviour and social responsibility in business and financial decision-making	After completing the course, students will be able to: • identify ethical issues and corporate social responsibility challenges in business and financial decision-making, • analyze ethical dilemmas in corporate finance case studies, • evaluate financial decisions by considering ethical standards and social responsibility, • discuss the role of ethics and social responsibility in value creation.
2.	Knowledge and Application of Corporate Finance Concepts:	After completing the course, students will be able to:

	Students will acquire foundational knowledge of corporate finance and understand how financial decisions affect firm value	• interpret financial statements and assess a company's financial performance and position, • explain how companies raise capital through different financial instruments, including stocks and bonds, • apply corporate finance tools to evaluate investment projects, firm value, and capital costs, • analyze the risk and return implications of financing and investment decisions
3.	Communication and Presentation Skills: Students will develop effective oral communication and presentation skills in a business and financial context	After completing the course, students will be able to: • analyze business and financial case studies individually and in groups, • clearly present financial analysis and conclusions in oral presentations, • participate actively and constructively in class discussions, • defend their financial reasoning and recommendations.
4.	Understanding the Global Business Environment: Students will develop the ability to understand and adapt to the global business environment	After completing the course, students will be able to: • identify key elements of a country's business environment, including economic, social, cultural, political, technological, and legal factors, • compare business environments across countries and assess their impact on corporate financial decisions, • discuss challenges and adaptation strategies for operating in an international business environment, • evaluate how global factors influence corporate finance decisions.

OUTLINE OF THE CLASSES¹

	Topic
Day 1 14 July Tue	Lecture: Introduction to financial markets & institutions and the corporation After this lesson, students will be able to: • Explain the purpose of corporate finance and its role in value creation • Identify the three core financial decisions of the firm (investment, financing & payout) • Explain the objective of the firm and the role of financial managers • Describe basic organizational forms • Explain agency problems and corporate governance mechanisms • Explain the role of financial markets in allocating capital Chapter 1: Goals and Governance of the Corporation Chapter: Financial markets and Institutions At the end of the lecture: Short test on the topic (bonus points, max. additional 1.5%) Homework: Group work – <i>A Case Study in Start-up Financing, Governance, and Value Creation</i>, to be presented at the beginning of the next lecture (4% of the grade) The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).
Day 2 15 July Wed	Lecture: Financial accounting and measuring corporate performance After this lesson, students will be able to: • Explain the purpose and structure of the income statement, balance sheet, and cash flow statement • Distinguish between accounting profit and cash flow

¹**NOTA BENE:** Faculty members retain the right of changing every part of this syllabus. Accordingly, faculty has to provide a timely notification on all changes for students.

	• Interpret key financial statement items and firm performance indicators • Apply basic financial ratio analysis to assess liquidity, efficiency, leverage, & profitability • Explain the purpose and limitations of financial statement analysis. Chapter 3: Accounting and Finance Chapter 4: Measuring Corporate Performance At the end of the lecture: Short test on the topic (bonus points, max. additional 1.5%) Homework: Group work: A Case Study of Financial statement analysis; to be presented at the end of the class (4% of a grade) The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).
Day 3 16 July Thu	Lecture: Time Value of Money - After this lesson, students will be able to: • Explain the rationale for discounting and compounding cash flows over time, • Explain the components of the nominal interest rate, including real return, inflation, and risk premiums • Calculate the future value and present value of lump sums, annuities, perpetuities, and uneven cash flow streams, • Calculate rates of return and compare nominal rates, APR, and effective annual rates (EAR) • Apply time value of money concepts to real-life financial decisions, including investing, borrowing, and mortgages Chapter 5: Time value of money At the end of the lecture: Short test on the topic (bonus points, max. additional 1.5%) Homework: Individual – Practical application of Time Value of Money (4% of the grade) The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).
Day 4 17 July Fri	Bonds and stocks and their valuation After this lesson, students will be able to: • Explain the basic features of bonds and the sources of bond cash flows, • Distinguish between coupon rate, yield to maturity, and rate of return, • Calculate the value of bonds given their yield to maturity and explain the inverse relationship between bond prices and interest rates • Explain the basic features of stocks and the sources of stock cash flows, • Apply dividend discount models and valuation by comparables to value common stocks, • Explain how risk, growth expectations, and market efficiency are reflected in stock prices. Chapter 6: Valuationg bonds Chapter 7: Valuating stocks At the end of the lecture: Short test on the topic (bonus points, max. additional 1.5%) Homework: Individual – Practical application of the lecture (4% of the grade) The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).

Day 5 20 July Mon	Net Present Value and Other Investment Criteria After this lesson, students will be able to: • Explain the net present value (NPV) rule and why NPV is the preferred investment criterion, • Apply NPV to evaluate independent investment projects, • Explain and apply alternative investment criteria, including internal rate of return (IRR), payback, and profitability index, • Identify situations in which alternative criteria may lead to incorrect investment decisions, • Compare mutually exclusive projects and explain why NPV provides the correct decision rule. Chapter 8: Net Present Value and other Investment Criteria Homework: Individual – Practical application of the lecture (4% of the grade) The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).
Day 6 21 July Tue	Discounted Cash Flow Analysis and Project Risk (Case study) After this lesson, students will be able to: • Identify relevant cash flows for investment decisions and explain the principles of incremental cash flow analysis, • Distinguish between sunk costs, opportunity costs, and relevant side effects of investment projects, • Apply discounted cash flow (DCF) analysis to evaluate investment projects, • Analyze how uncertainty and risk affect project value using sensitivity analysis, scenario analysis, and break-even analysis, • Explain the role of operating leverage and project risk in capital budgeting decisions. Chapter 9: Using discounted Cash Flow Analysis to make Investment Decisions Chapter 10: Project analysis Homework: Group work – <i>A Case Study of Project Analysis</i>. Calculations related to the material covered in this lecture must be submitted at the beginning of the next lecture, while the remaining calculations will be completed after the following lecture. The case will be presented during the final lecture (4% of the grade). The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).
Day 7 22 July Wed	Assignment at the beginning of classes: knowledge check 1 of a previous session (20% of a grade) Weighted Average Cost of Capital and Company Valuation After this lesson, students will be able to: • Explain the concept of the weighted average cost of capital (WACC) and its role as a discount rate in investment decisions, • Identify the components of WACC and explain how the cost of debt and the cost of equity are determined, • Calculate WACC and explain how capital structure affects it, • Apply WACC in discounted cash flow valuation of projects and firms, • Explain the relationship between WACC, firm value, and financing decisions Chapter 13: The weighted Average Cost of Capital and company valuation Homework: Group work – finalization of the Group work: Complete the remaining calculations and prepare the case presentation for the final lecture.

	The understanding of the material covered in this lecture will be assessed at the beginning of the next lecture through a 5-minute test (10% of the grade).
Day 8 23 July Thu	Case study, final presentation

TEACHING METHODS AND STUDENT WORKLOAD

Lectures	24 hours
Self-study (completing course assignments, homeworks and preparing for exams)	64 hours
Case studies	62 hours ²
Total student workload	150 hours (5 ECTS x 30 hours)

ASSESSMENT METHODS

			Test	Homework	Bonus points	Case studies	Total without bonus points
#	Lecture	Home / Classroom	Classroom	Classroom	Classroom	Home	
		Individual / Group	Individual	Individual	Individual	Group	
1	Introduction to financial markets & institutions, and corporation		10		1,5	4	14
2	Financial accounting and measuring corporate performance		10		1,5	4	14
3	Time Value of Money		10	4	1,5		14
4	Bonds and stocks and their valuation		10	4	1,5		14
5	Net Present Value and Other Investment Criteria		10	4	1,5		14
6	Discounted Cash Flow Analysis and Project Risk		10		1,5	7	17
7	Weighted Average Cost of Capital and Company Valuation		10		1	3	13
8	Case study, final presentation						0
			70	12	10	18	100

Grading scale:

- excellent (5) 90 – 100 points 90% - 100%
- very good (4) 80 – 89 points 80% - 89%
- good (3) 70 – 79 points 70% - 79%
- satisfactory (2) 51 – 69 points 51% - 69%

REFERENCES

Main literature:

1. Brealey, A.R., Myers C.S., Marcus, J.A. (2017). Fundamentals of Corporate Finance. 8 ed. McGraw Hill. ("BMM").

² Incorporated in lectures

Additional literature:

2. Damodaran, A. (2015). Applied Corporate Finance (4th Edition). John Wiley & Sons.
3. Bhimani, A., (2022). Financial Management for Technology Start-ups How to power growth, track performance and drive innovation. 2 ed. Kogan Page
4. Corporate finance Jonathan Berk i Peter De Marzo, Pearson
5. Financial Management Raymond Am. Brooks, Pearson
6. Financial Management Sheridan Titman, Arthur aj. Keown I John d. Martin, Pearson

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Presentations, seminars and additional materials for class participation (case studies, quizzes, articles)