

# Principles of Corporate Finance & Derivative Securities - ECO00012H

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- **Department:** Economics and Related Studies
- **Module co-ordinator:** Dr. Maryam Alhalboni
- **Credit value:** 20 credits
- **Credit level:** H
- **Academic year of delivery:** 2020-21
  - See module specification for other years: [2018-19](#) [2019-20](#)

## Module summary

To describe the theory and practice of corporate finance. Throughout this module we will show how to use financial theory to solve practical problems and also to illuminate the institutional material that students of business finance must absorb.

## Related modules

### Pre-requisite modules

- [Microeconomics II \(ECO00001I\)](#)
- [Financial Economics & Capital Markets \(ECO00004I\)](#)

### Co-requisite modules

- None

### Prohibited combinations

- None

## Module will run

### Occurrence

A

### Teaching cycle

Autumn Term 2020-21 to Summer Term 2020-21

## Module aims

- To describe the theory and practice of corporate finance. Throughout this module we will show how to use financial theory to solve practical problems and also to illuminate the institutional material that students of business finance must absorb

- To enumerate and describe the various securities and markets in a clear and concise manner that accurately blends theory and practice

## Module learning outcomes

The objective of this module is to provide an advanced analysis of the major issues affecting the financial policy of a modern corporation:

- The first part of the course (Autumn Term) will examine the fundamentals of corporate finance: the theory of the firm's choice of its capital structure and dividend policy under alternative assumptions
- The second part of the course (Spring Term) will focus on the valuation of financial instruments such as options, futures and other derivatives. This part of the course provides an introduction to the valuation of derivative securities. The structure and properties of common derivatives such as forward contracts, futures contracts and options will be discussed. Valuation methods will be developed and applied to different contracts of interest. Hedging policies and risk management aspects will be addressed

## Assessment

Task	Length	% of module mark
<b>24 hour open exam</b> Principles of Corporate Finance & Derivatives Securities	N/A	100

## Special assessment rules

None

## Reassessment

Task	Length	% of module mark
<b>24 hour open exam</b> Principles of Corporate Finance & Derivatives Securities	N/A	100

## Module feedback

Feedback will be returned to students according to University guidelines.

## Indicative reading

Bodie, Z., Kane, A. and Marcus, J. M. Investments. McGraw Hill Irwin.  
 Brealey, R A. & Myers, S C. Principles of Corporate Finance. McGraw Hill.  
 Hull, J C. Options, Futures and other Derivatives. Prentice Hall.  
 Ross, S A., Westerfield, R W. and Jaffe, R W J. Corporate Finance. McGraw Hill Irwin.  
 Berk and DeMarzo. Corporate Finance. Pearson, Global Edition.

The information on this page is indicative of the module that is currently on offer. The University is constantly exploring ways to enhance and improve its degree programmes and therefore reserves the right to make variations to the content and method of delivery of modules, and to discontinue modules, if such action is reasonably considered to be necessary by the University. Where appropriate, the University will notify and consult with affected students in advance about any changes that are required in line with the University's policy on the [Approval of Modifications to Existing Taught Programmes of Study](#).

Coronavirus (COVID-19): changes to courses

The 2020/21 academic year will start in September. We aim to deliver as much face-to-face teaching as we can, supported by high quality online alternatives where we must.

Find details of the measures we're planning to protect our community.

[Course changes for new students](#)