

## FUNDAMENTALS OF CORPORATE FINANCE

Degree in Touristic Activities Management

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Code: 16202

Main Scientific Area: Finance

Lecturer: Carlos Manuel Fernandes Plácido

Language of Instruction: Portuguese

Regime: S2

Contact Hours: 60h Total Workload: 108h

ECTS: 6,0

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### Objectives

Students must understand the fundamental concepts of corporate finance, namely those related with financial mathematics (compounding and discount, interest rates and annuities) and investment project evaluation.

### Learning Outcomes

At the end of this curricular unit, students should:

Understand the fundamentals of mathematical finance, namely those related with compounding and discount;

Distinguish and calculate: nominal and effective interest rates; illiquid and liquid interest rates;

Classify and calculate the value of an annuity;

Understand the general, specific and internal aspects of investment projects;

Apply evaluation and selection criteria to investment projects.

Participate in the multidisciplinary project FASA 50/10.

### Course Contents

1. Introduction

2. Topics of Financial Mathematics

2.1. Main concepts and basic principles

2.2. Compounding and Discount

2.3. Interest rates: Typology and conversion rules

2.4. Annuities

### 3. Corporate Finance

#### 3.1. General aspects of projects

#### 3.2. Capital budgeting: general principles

#### 3.3. Project evaluation

### **Recommended Bibliography**

MYERS, S., ALLEN, F. e, BREALEY, R. e (2008), "Princípios de Finanças Empresariais", 8ª edição, McGraw-Hill.

QUELHAS, A. e, CORREIA, F. (2017), "Manual de Matemática Financeira", 3ª edição, Almedina.

SOARES, I., MOREIRA, J., PINHO, C. e, COUTO, J. (2015), "Decisões de Investimento - Análise Financeira de Projetos", 4ª edição, Edições Sílabo, Lisboa.

### **Learning and Teaching Methods**

The course contents include the fundamental concepts of corporate finance, allowing students to acquire skills in financial mathematics and in the evaluation and selection of investment projects.

Chapters 2 will allow students to understand the fundamentals of mathematical finance, namely those related with compounding and discount and interest rates, as well as to identify and classify an annuity and to calculate its value.

Chapters 3 will allow students to understand the general, internal and specific aspects of investment projects, identify and estimate the relevant cash flows of an investment project, and apply the evaluation and selection criteria to investment projects, both in the context of certainty and uncertainty (risk).

### **Assessment Methods**

Continuous evaluation system:

Evaluation test 1 – 40%

Evaluation test 2 – 45%

Evaluation Multidisciplinary Project "FASA 50/10" (or replacement work in permitted cases) - 15%

Final Exam 85% plus 15% Multidisciplinary Project "FASA 50/10" (or replacement work in permitted cases)

No oral evaluation.

The use of cellphones, ipads, iwatch or computer is prohibited during the evaluation.

