

KAT.TAL.330/KAT.LASK.322
Advanced Course in Corporate Finance
Spring 2026

Instructors:

Alessandro Sovera (alessandro.sovera@tuni.fi)

Martín Brun (martin.brun@tuni.fi)

Course description

This course explores topics relevant to corporate financial strategy and individual financial decisions. Corporate finance deals with issues such as investing in assets to produce profits, financing of investments, and returning cash to the owners as well as the organization of the corporate governance of the company to maximize the value of the company. Analysing these types of questions can be relevant in all types of organisations, ranging from small to large multinationals, in both the private and the public sector. On this course the emphasis is on both the theoretical issues as well as practical decision making.

Course guidelines

You should have taken Mathematical Economics I (KAT.TAL.001), Microeconomics I (KAT.TAL.202), Microeconomics II (KAT.TAL.204), Introduction to Finance (KAT.LASK.212), and Financial Management (KAT.LASK.230) before you take this course.

There is an online repository for this course. All necessary materials will be uploaded there.

Lectures

There will be two 2-hour lectures each week:

- a) Mondays 10:00 – 12:00 at TAU Main Building A318
- b) Tuesdays 10:00 – 12:00 at TAU Main Building A062

Schedule

Lectures start on Monday 05.01.2026. There is no lecture on Tuesday 06.01.2026.

The following schedule is tentative and can vary as the course unfolds:

Monday 05.01.2026: 1. Introduction

Monday 12.01.2026: 2. Capital Structure

Tuesday 13.01.2026: 3. Options

Monday 19.01.2026: 4. Long-term Financing
 Tuesday 20.01.2026: 5. Long-term Financing
 Monday 26.01.2026: 6. Long-term Financing
 Tuesday 27.01.2026: 7. Short-term Financing
 Monday 02.02.2026: 8. Short-term Financing
 Tuesday 03.02.2026: 9. Mergers and Acquisitions
 Monday 09.02.2026: 10. Corporate Governance
 Tuesday 10.02.2026: 11. Corporate Bankruptcy
 Monday 16.02.2026: 12. Behavioral Insights

Grading

There are two grading methods available for the course:

- a) 50% for the Exam + 50% for Problem Sets
- b) 100% for the Exam

Students do not have to choose between these options, as the final grade is determined by the most favorable result for the student. However, in both options, passing requires the student to attain 40% of the maximum score on the exam. This is the standard procedure for courses that allow for both group work and homework exercise credits, ensuring individual effort can be monitored.

Exam

There will be one 3-hour exam covering all course material. The exam will take place on 11.03.2025 at 17:00. The retake exam will be on 22.04.2025 and 10.06.2025.

Procedures. The exam is centrally organised by the university. You can bring notes prepared during self-study to the exam. You should bring a calculator.

Problem Sets

There will be six problem sets. The following table details the submission deadline and topics covered by each problem set:

| Problem Set | Deadline | Topic | Bibliography |
|-------------|------------|-------------------|----------------------------|
| 1 | 18.01.2026 | Lectures 2 and 3 | BD: Ch.17 and Ch.22 |
| 2 | 25.01.2026 | Lectures 4 | BD: Ch.23 |
| 3 | 01.02.2026 | Lectures 5 and 6 | BD: Ch.24 and Ch.25 |
| 4 | 08.02.2026 | Lectures 7 and 8 | BD: Ch.26 and Ch.27 |
| 5 | 15.02.2026 | Lectures 9 and 10 | BD: Ch.28 and Ch.29 |
| 6 | 22.02.2026 | Lectures 11 | HGT: Ch.16 |

The assessment of problem sets is conducted through Moodle workshops, involving both peer and self-assessments. Each student who submits problem sets is required to evaluate two sets from other students, in addition to assessing their own answers. Sample answers, which will be published after the submission deadline has passed, serve as guidance for the assessment. The Moodle workshop will guide you through the grading process.

Problem sets can be done in groups. However, each student should submit their answers individually. Since no groups are officially formed in Moodle, it may happen that you will grade the answers of your own group.

All answers should be submitted in PDF format. The use of Excel is strongly recommended. While there is no minimum requirement for problem sets, active participation is beneficial for passing the course, regardless of the grading method.

Course Bibliography

Reading the materials covered in the course is strongly recommended. The course is based on:

BD: Berk, J., & DeMarzo, P. (2023). *Corporate Finance* (6th ed., Global Edition)

HGT: Hillier, D., Grinblatt, M., & Titman, S. (2011). ‘Bankruptcy Costs and Debt Holder–Equity Holder Conflicts’. *In Financial Markets and Corporate Strategy* (2nd European Edition, Chapter 16)

M: Malmendier, U. (2018). ‘Behavioral Corporate Finance’. *In Handbook of Behavioral Economics-Foundations and Applications* (Vol. 1, pp. 277-379)