Hochschule Neu-Ulm
University of Applied Sciences

Module Description/Syllabus

(•) BE ( ) IM ( ) HM ( ) CfPS i

Module	Investment Decision Making	Module-Number	
Course Title	Investment Decision Making	Overall grade weighting (in %)	
Recommended alternative modules or courses	None		
Course of Studies	Business Psychology		
Examination No. (SuP)		valid SER	
Mode of Study	[x] full-time [ ] part-time		
Study Cycle (EQF-Level)	(•) Bachelor ( ) Master		
Frequency	( ) winter term ( ) summer term (•) each semester		
Language Competence Level and Course code SAP [ ]			
Responsible for the module	Prof. Dr. Johannes Schmitz		
Lecturer/s	Prof. Dr. Johannes Schmitz		
Typ of course	(•) compulsory ( ) optional		
Mode of delivery	In class lecture and exercises		
Language of instruction	(•) English ( ) German	**Level of course**	2nd semester
Teaching Methods	Seminaristic in class lecture	**Duration**	1 semester
	Blended learning with additional online videos for select topics (reverse classroom)		

Work parameters (HNU-Workload-Calculator)	contact hours in lecture form	exercises (hours)	self-studies (hours)	total (hours)
	45		45	120
	eLearning (hours)	**examination pre-paration (hours)**	**Transfer (hours)**	**Units ("UE")**
	10	20		

Number of participants min./max.	10 /	**ECTS-Points** 04	**Volume** (hours per semester week) 04
Use for other studies	Business Psychology		

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Prerequisites/ Required competencies	Basic competences in financial and managerial accounting (e.g. understanding balance sheets, profit&Loss statements, applying basic cost accounting methods)
Learning Outcome **1) Knowledge** **2) Skills** **3) Responsibility and autonomy** Description eight EQF Levels and Learning Outcome (1-3)	1 Knowledge - name and explain basic concepts of investment theory and finance - describe different types of investment decisions (projects, project portfolios, company shares, M&A) and define criteria for decision making - name and describe concepts related to risk-return, portfolio effects, and arbitrage - name and describe different financing options for companies and explain advantages and disadvantages 2 Skills - apply static and dynamic valuation methods for investments (also in simple Excel models) - interpret the results and discuss advantages and disadvantages of the different methods - apply concepts related to risk-return, portfolio effects, and arbitrage to financing and investment decisions - calculate the cost of capital (CAPM, WACC) - read relevant scientific articles on investment decision making and explain core assumptions and statements 3 Responsibility and autonomy - take responsibility for their own learning process - structure their workload - autonomously organize working in teams as appropriate (e.g. preparing for the exam)
Content	Examples for Investment Decision Making and impact in the perspectives of financial accounting, cash flow forecasts and managerial accounting - Basic Concepts of Managerial Accounting and Corporate Finance - Static methods for investment decision making - The Time Value of Money and the Present Value concept - Developing DCF models in Excel and calculating and comparing NPV and IRR - Interest rates and Valuing Debt - Risk-Return and the Cost of equity - Cost of Capital: Leverage effect, Tax implications and WACC - Source of Financing: Raising equity and debt - Modigliani-Miller theorems and evaluating the financial structure of companies - Valuation of corporations - Managing for Value - Mergers & Acquisitions: Basic concepts and the M&A process - M&A in action: Case examples on M&A and alternatives to M&A

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Particular admission requirements (if applicable)	none
Curriculum semester, in which the student has to be mandatorily registered for the first attempt of examination	
Assessment method(s)	Written exam (45mins)
Assessment criteria	- Quality of application of investment decision making methods (static & dynamic methods) - Quality of explaining and applying core concepts of investment decision making, corporate finance and M&A (e.g. in examples or case studies) Grading logic: see SPO (study and examination regulations)
Required reading resources	Corelli, A.: Analytical Corporate Finance, Springer, 2nd edition (2018)
	Berk, J., DeMarzo, P.: Corporate Finance, Pearson, 4th edition, Global Edition (2017)
	Koller, T. et al.: Valuation. Measuring and Managing the Value of Companies, Wiley Finance Editions, 7th edition (2020)
	Fama, E. F., French, K. R.: The Capital Asset Pricing Model. Theory and Evidence, Journal of Economic Perspectives, Vol. 18, No. 3, pp. 25-46 (2004)
	Modigliani, F., Miller, M.: The Cost of Capital. Corporation Finance and the Theory of Investment, American Economic Review, Vol 48, No. 3, pp. 261-297 (1958)
Additional (module) information	
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