



Syllabus of Module

6. Corporate Finance

Lecturer: Ing. Jiří Mach, Ph.D.

Module Annotation

Corporate Finance is a key area of business management, which has an integrating position between all the company's activities. Achieving a positive economic result is the basic motivation of business activity. Directing all processes that are implemented in the company can only be optimal and contribute to the fulfilment of this goal if it is based on the knowledge of the basic links between real, concrete activities and the financial characteristics that are influenced by them and that ultimately result in the volume of the economic result. The substantive definition of the content of financial management is possible through individual sections that ensure:

- effective provision of the necessary capital for financing the company's activities (i.e. the financing process);
- deciding on the optimal structure of financial resources about:
 - - the company's property structure,
 - creation and distribution of economic results,
 - the price of available financial resources,
- decision-making about investing in long-term assets about the company's goals and the criteria for assessing investment projects derived from them (i.e. effective allocation of available capital)
- management of current assets (working capital), including credit policy towards customers and its financing, to ensure the company's permanent solvency;

- registration and analysis of the economic results and level of plan fulfilment (i.e. financial and economic analysis), preparation of corrective measures to comply with the plan;
- financial planning.

The necessary basis for orientation in financial issues is the acquisition and understanding of the basic links and the ability to report data on the structure of assets and capital and the creation of profit in financial statements. The information contained in them is the basis for several methods, relationships and evaluation indicators that are used in various areas and levels of financial management. Along with this, it is necessary to understand the specifics and ways of applying the most general principles and principles of financial management, as well as distinguishing specific issues that are solved by ordinary, i.e. operational management, and which have a longer time horizon and are closely linked to the established strategy of the company's development, i.e. which solves strategic management.

Another important part of operational financial management is liquidity and cash-flow management. Methods and procedures are used here, which are mainly concentrated in the management of working capital. In this area as well, the main source of data is accounting and financial statements, not only the statement of cash flows compiled within the framework of financial accounting but also other statements. The planned form of the cash flow statement is one of the important components of the company's financial plan.

Not only the situation on the market is important for deciding on the type and volume of services, but also the internal conditions associated with their creation. In a summary view, they are reflected in the structure and volume of costs, which are causally linked primarily to the performance portfolio, but also to the way activities are carried out. Differentiating different types of costs according to their relationship to performance is of great importance for deciding on the optimization of costs about the expected price. Cost management, based on different breakdowns of costs, is thus an important component of financial management within the control of corporate finances.

An important role in the financial management of companies is increasingly played by ongoing analysis and evaluation of achieved efficiency and profitability. This is done by a set of specific methods summarized under the general name of financial analysis. These make it possible to analyze the level of processes and the results achieved, identify problem areas and take measures for improvement, as well as those areas in which good results are achieved and which can be used in the next period. A number of these indicators can also be determined during activities, which makes it possible to respond promptly and thus prevent problems from worsening.

Module Objective:

This module aims to acquaint students with the basic structure of corporate finance, with general principles of financial management, to clarify the importance of the property and capital structure of a company for financial decision-making. In addition, the module will lead students to understand the relationships between production volume planning, prices and costs and profit, and will familiarize them with the basic procedures of cash flow and liquidity management of the company and the methods used for their analysis and evaluation.

Literature

1. KISLINGEROVÁ, Eva. Manažerské finance. Ekonomie (C.H. Beck). Praha: C.H. Beck, 2004. ISBN 80-7179-802-9.
2. SEDLÁČEK, Jaroslav. Účetnictví pro manažery. Praha: Grada, 2005. ISBN 80-247-1195-8.
3. VALACH, Josef. Finanční řízení podniku. 2. aktualiz. a rozš. vyd. Praha: Ekopress, 1999. ISBN 80-86119-21-1.

Additional Literature

1. BREALEY R. A., Myers C. A., ALLEN F., Corporate finance, Boston: Irwin/McGraw-Hill, 2006, ISBN 0-07-111551-X
2. KOVANICOVÁ, Dana. Jak porozumět světovým, evropským, českým účetním výkazům. Praha: Polygon, 2004. ISBN 80-7273-095-9.
3. KOVANICOVÁ, Dana a KOVANIC, Pavel. Poklady skryté v účetnictví. 4. aktualiz. vyd. Praha: Polygon, 1999. ISBN 80-85967-88-x.
4. SEDLÁČEK, Jaroslav. Účetní data v rukou manažera - finanční analýza v řízení firmy. 2. dopl. vyd. Praxe manažera (Computer Press). Praha: Computer Press, 2001. ISBN 80-7226-562-8.
5. SCHOLLEOVÁ, Hana. Ekonomické a finanční řízení pro neekonomy. Expert (Grada). Praha: Grada, 2008. ISBN 978-80-247-2424-9.
6. SRPOVÁ, Jitka a ŘEHOŘ, Václav. Základy podnikání: teoretické poznatky, příklady a zkušenosti českých podnikatelů. Expert (Grada). Praha: Grada, 2010. ISBN 978-80-247-3339-5.
7. SYNEK, Miloslav a KISLINGEROVÁ, Eva. Podniková ekonomika. 5., přeprac. a dopl. vyd. Beckovy ekonomické učebnice. Praha: C.H. Beck, 2010. ISBN 978-80-7400-336-3.
8. SYNEK, Miloslav; KOPKÁNĚ, Heřman a KUBÁLKOVÁ, Markéta. Manažerské výpočty a ekonomická analýza. Beckova edice ekonomie. V Praze: C.H. Beck, 2009. ISBN 978-80-7400-154-3.

9. ŠULÁK, Milan a VACÍK, Emil. Měření výkonnosti firem. Eupress. Praha: Vysoká škola finanční a správní, 2005. ISBN 80-86754-33-2.

10. VALACH, Josef. Investiční rozhodování a dlouhodobé financování. 3., přeprac. a rozš. vyd. Praha: Ekopress, 2010. ISBN 978-80-86929-71-2. VALACH J., Investiční rozhodování a dlouhodobé financování, Ekopress, Praha, 2001.

**European School of
Business & Management SE**

Londýnská 376/57, 120 00 Prague 2
IČ: 29299306, DIČ: CZ29299306

+ 420 603 836 740

✉ info@esbm.cz 🖱️ www.study-esbm.com

Corporate Finance

