
Guest lecturer: Dr. Jacek Welc (Wroclaw University of Economics & SRH University Berlin)

Course aim: Obtaining a broad knowledge about: fundamental principles of designing corporate capital structure (equity vs. debt), financial reporting and financial analysis of publicly listed companies, regulation and supervision of corporate reporting on capital markets

Teaching form: Lecture and workshop (including multiple real-life case studies)

COURSE CONTENT:

Part 1: SOURCES OF CORPORATE CAPITAL (Four teaching hours)
1) Two primary sources of funding corporate assets and operations: equity vs. debt.
2) Funding businesses through liabilities: private debt (bank loans, leases and operating payables) and public debt (corporate bonds).
3) Funding businesses through equity: private equity funds and public equity issues (including crowdfunding).
4) Mixed and other forms of corporate funds (including convertible debt and public grants).

Part 2: MAKING CAPITAL STRUCTURE DECISIONS (Six teaching hours)
1) Advantages and disadvantages of two sources of capital (debt and equity).
2) Risk / Return tradeoff in capital structure decisions (i.e. impact of debt and equity on investment return to shareholders).
3) Principles of designing target capital structure (including evaluation of company’s exposure to operating business risks).

Part 3: COMPREHENSIVE REAL-LIFE CASE STUDY: FINANCIAL RESULTS, CAPITAL STRUCTURE AND INVESTMENT RISKS OF LUFTHANSA GROUP (Six teaching hours)
1) Preliminary analysis of Lufthansa Group’s business risks and financial results.
2) Evaluation of Lufthansa Group’s financial standing by retrospective ratio analysis.
3) Evaluation of Lufthansa’s operating and financial risks by prospective analysis.
4) Conclusions about Lufthansa’s economic performance, capital structure and investment risks.

Part 4: MAKING COMPANY PUBLIC: REGULATORY REQUIREMENTS AND REPORTING TO INVESTORS (Eight teaching hours)
1) Regulatory requirements regarding companies listed on stock exchanges.
2) Types and content of reports published by public companies.
3) Selected problems of reliability of financial statements published by public companies.