

<b>Module name</b>	<b>Capital structure and dividend policy</b>
Studies cycle	<b>Master's degree</b>
Semester	<b>Summer</b>
ECTS	<b>3</b>
ECTS points hour equivalents	<p><b>Contact hours (work with an academic teacher): 15</b></p> <p><b>Total number of hours with an academic teacher: 15</b></p> <p><b>Number of ECTS points with an academic teacher: 2</b></p> <p><b>Non-contact hours (students' own work): 10</b></p> <p><b>Total number of non-contact hours: 10</b></p> <p><b>Number of ECTS points for non-contact hours: 1</b></p> <p><b>Total number of ECTS points for the module: 3</b></p>
Website	
Language of instruction	English
Short description	The module allows to develop the usage of financial tools to manage the financing of the company. It covers various approaches needed for capital structure decisions. The students will learn to estimate costs and benefits of using debts and equity. This involve applying agency theory assumptions, asymmetric information hypotheses assumption, signaling hypotheses assumption, bankruptcy costs, business and financial risk, and behavioral attitude of managers. An important aspects of this course will be to bridge theory with practice in the contest of real world implications.
Full description	<p><b>The lecture covers the following issues:</b></p> <ol style="list-style-type: none"> <li>1. Capital definition. Capital and assets.</li> <li>2. Equity and Debts</li> <li>3. Long-term and short-term capital</li> <li>4. Designing the level of capital</li> <li>5. Designing the structure of capital</li> <li>6. Determinants of capital structure: costs of capital, CAPM, Gordon formula, WACC</li> <li>7. Determinants of capital structure: business risk, operational leverage, financial risk, financial level</li> <li>8. Other determinants of capital structure: assets structure, quality of assets, the age and the size of the company, risk aversion of management</li> <li>9. Theories of capital structure: Modigliani-Miller model, trade-off model, pecking order theory</li> <li>10. Dividend policy and capital structure</li> <li>11. Forms of dividend payments</li> <li>12. Dividend policies</li> <li>13. Dividend and buy-back</li> <li>14. Determinants of dividend payments: expected investment, operating cash flow, investors' expectations</li> </ol>
Reading list	<ol style="list-style-type: none"> <li>1. A. Damodaran, Corporate Finance, John Willey and Sons, New York, 2nd edition, 2005.</li> <li>2. R. A. Brealey, S. C. Myers, Financing and Risk Management, McGraw Hill, 2003.</li> <li>3. S. C. Weaver, F. Weston, Strategic Financial Management: Application of Corporate Finance, Thomson, 2008.</li> <li>4. E. F. Brigham, C. Buzzard, Cases in Financial Management, South-Western College, 2007.</li> <li>5. S. Ross, R. Westerfield, J. Jaffe, Corporate Finance, McGrawHill/Irwin, 2012.</li> </ol>

Educational outcomes	<p><b>KNOWLEDGE</b></p> <ol style="list-style-type: none"> <li>1.W06 – has in-depth knowledge of the selected methods and tools for the description, including the techniques of data collection and modeling social structures and processes taking place in them, and to identify its underlying regularities</li> <li>2. W08 – has in-depth knowledge of the processes of changes of the selected structures, institutions, and social relations and their practical applications, as well as the regularities that governs these changes</li> <li>3. W09 - has in-depth knowledge of views on selected structures and social institutions or some categories of social relations and their historical evolution</li> </ol> <p><b>SKILLS</b></p> <ol style="list-style-type: none"> <li>1. U03 - able to properly analyze the causes and processes and social phenomena, formulate their own opinions on the subject and put simple hypotheses and verify them</li> <li>2. U06 - has the ability to use the acquired knowledge in different ranges and forms, extended a critical analysis of the effectiveness and suitability of applied knowledge</li> <li>3. U07 - has the ability to independently propose solutions to a particular problem and carry out procedures to take decisions in this regard</li> </ol> <p><b>ATTITUDES</b></p> <ol style="list-style-type: none"> <li>1. K02 - able to interact and work in a group, accepting the different roles</li> <li>2. K05 - knows how to participate in the preparation of social projects and can provide multi-social impact of its activities</li> <li>3. K06 - can independently and critically complement the knowledge and skills extended to interdisciplinary dimension</li> </ol>
Teaching methods	Informative lecture, case study analysis,
Educational outcomes verification methods	Application newly acquired knowledge in practice – individual case study preparation
Assessment methods and criteria	Attendance (75%), individual case study preparation The final note is the result of the weighted average of attendance (30%) and assessment of individual project (70%)
Prerequisites	Accountancy, Financial analysis, Corporate finance
Comments	N/A
<b>Type of classes</b>	Lecture
Academic teacher	Elżbieta Wrońska-Bukalska, Ph. D.
Number of hours	15
Reading list	<ol style="list-style-type: none"> <li>1. A. Damodaran, Corporate Finance, John Willey and Sons, New York, 2nd edition, 2005.</li> <li>2. R. A. Brealey, S. C. Myers, Financing and Risk Management, McGraw Hill, 2003.</li> <li>3. S. C. Weaver, F. Weston, Strategic Financial Management: Application of Corporate Finance, Thomson, 2008.</li> <li>4. E. F. Brigham, C. Buzzard, Cases in Financial Management, South-Western College, 2007.</li> </ol> <p>S. Ross, R. Westerfield, J. Jaffe, Corporate Finance, McGrawHill/Irwin, 2012.</p>
Educational outcomes	<p><b>KNOWLEDGE</b></p> <ol style="list-style-type: none"> <li>1.W06 – has in-depth knowledge of the selected methods and tools for the description,</li> </ol>

	<p>including the techniques of data collection and modeling social structures and processes taking place in them, and to identify its underlying regularities</p> <p>2. W08 – has in-depth knowledge of the processes of changes of the selected structures, institutions, and social relations and their practical applications, as well as the regularities that governs these changes</p> <p>3. W09 - has in-depth knowledge of views on selected structures and social institutions or some categories of social relations and their historical evolution</p> <p><b>SKILLS</b></p> <p>1. U03 - able to properly analyze the causes and processes and social phenomena, formulate their own opinions on the subject and put simple hypotheses and verify them</p> <p>2. U06 - has the ability to use the acquired knowledge in different ranges and forms, extended a critical analysis of the effectiveness and suitability of applied knowledge</p> <p>3. U07 - has the ability to independently propose solutions to a particular problem and carry out procedures to take decisions in this regard</p> <p><b>ATTITUDES</b></p> <p>1. K02 - able to interact and work in a group, accepting the different roles</p> <p>2. K05 - knows how to participate in the preparation of social projects and can provide multi-social impact of its activities</p> <p>3. K06 - can independently and critically complement the knowledge and skills extended to interdisciplinary dimension</p>
Assessment methods	<p>Attendance (75%), individual case study preparation</p> <p>The final note is the result of the weighted average of attendance (30%) and assessment of individual project (70%)</p>
A list of topics	<p><b>The lecture covers the following issues:</b></p> <ol style="list-style-type: none"> <li>1. Capital definition. Capital and assets.</li> <li>2. Equity and Debts</li> <li>3. Long-term and short-term capital</li> <li>4. Designing the level of capital</li> <li>5. Designing the structure of capital</li> <li>6. Determinants of capital structure: costs of capital, CAPM, Gordon formula, WACC</li> <li>7. Determinants of capital structure: business risk, operational leverage, financial risk, financial level</li> <li>8. Other determinants of capital structure: assets structure, quality of assets, the age and the size of the company, risk aversion of management</li> <li>9. Theories of capital structure: Modigliani-Miller model, trade-off model, pecking order theory</li> <li>10. Dividend policy and capital structure</li> <li>11. Forms of dividend payments</li> <li>12. Dividend policies</li> <li>13. Dividend and buy-back</li> <li>14. Determinants of dividend payments: expected investment, operating cash flow, investors' expectations</li> </ol>
Teaching methods	<p>Informative lecture, case study analysis,</p>