

## **Finance Theory**

*(VL + UE, 4 SWS, 6 SP)*

This course reviews and extends students' understanding of methods for capital budgeting and the valuation of financial and non-financial assets. Topics include NPV, the term structure of interest rates, bond valuation, interest rate parity, the CAPM and the underlying portfolio theory, stock valuation, capital budgeting, the weighted average cost of capital, the theorems of Modigliani and Miller, and capital structure irrelevance as an application of put-call parity.

*Literature:*                      Lecture Notes

*Evaluation:*                      written exam (90 min)