WIRTSCHAFTS UNIVERSITÄT WIEN VIENNA UNIVERSITY OF ECONOMICS AND BUSINESS

EFMD EQUIS ACCREDITED

Course description: Financial Management

(Unternehmensführung)

After completing the course, participants are able to answer questions concerning the evaluation of investment projects using approved mathematical methods. In addition to that, students get to know the relevance of IFRS for controlling in an international business and analyse different case studies with respect to its impact on profitability.

Investment Controlling

1. Investment decisions under certainty
   - How to make an investment decision?
     - Organisation and structure of investment decisions
     - Repetition of dynamic investment calculation methods
     - Accept-Reject decision
     - Mutually Exclusive Project Decision without taxes
   - Mutually Exclusive Project Decision with taxes
     - Optimal useful life of an investment
     - Optimal replacement time of an investment with/without taxes
   - Capital rationing
     - Selection of a group of investment proposals out of many investment proposals acceptable under the accept-reject decision
     - Ranking of acceptable investment projects when a large number of investment proposals compete for the limited funds of a firm

2. Investment decisions under uncertainty
   - Basics of risky investment decisions
     - Expected value, variance, ...
     - Sensitivity analysis
     - Bernoulli principle

Basics of IFRS

- Which companies need to prepare financial statements in accordance with IFRS?
- Components of IFRS financial statements
- IFRS framework and different systematic approaches under IFRS and Austrian Commercial Code (UGB) (e.g. clean/dirty surplus)
- Valuation concepts, fair value hierarchy
- Links between internal and external reporting requirements

Analysis of 6 different case-studies from the areas of revenue recognition, leases, business combinations, impairment of assets, foreign currency translation

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