

Approved by Committee of
the Strategic Corporate Finance Programme
Minutes dated June 26, 2018

Concept
Master's Programme "Strategic Corporate Finance"
Field of Study: "Finance and Credit" (38.04.08)

Our Master's programme has been developed for the students interested in expanding their knowledge in finance, while also gaining a wider professional outlook. The key focus of the programme is corporate finance. At the same time, this programme is structured so that students can acquire comprehensive knowledge in various areas of economics and finance. In addition to corporate finance, our students study macroeconomics and econometrics, microeconomics and assets pricing, venture capital and value-based management, behavioural finances and many other subjects. The high quality of the programme is thanks to its instructors, who include well-known Russian experts, many of whom have a PhD, as well as visiting foreign professors and financial experts from global firms. Over the course of their two years of study, students also have an opportunity to apply their knowledge and develop a wide network of professional contacts.

1. Key Features of the Programme

The 'Strategic Corporate Financial Management' is the main programme, whereby a Master's qualification can be bestowed. The general term of study comes to two years through in-class learning. The programme's workload comes to at least 120 credit units (60 units for the first and second year of study respectively). The academic programme has been developed generally on a subsidized basis (40 state-funded places, 10 places on a fee-paying basis, and 10 places for international students). The programme is taught in English. Furthermore, two optional courses provided in the language of study at the university can be offered Russian speakers or for those who learn it.

The programme is offered by the HSE Faculty of Economic Sciences. Learning plans are in line with HSE's Educational Standard for "Finance and Credit". The programme's Academic Supervisor is Anastasia Stepanova, Associate Professor of the Faculty of Economic Sciences/School of Finance, and Research Fellow of the HSE Corporate Finance Centre (anstepanova@hse.ru).

2. General Features of the Programme

This is a programme for those who are keen to obtain both up-to-date in-depth knowledge in finance and a wide-ranging professional worldview, essential for being an effective financial expert. The programme is particularly focused on studying contemporary theory and global practice in corporate finance. At the same time, it also provides fundamental knowledge in all areas of economics and finance, thus allowing graduates to pursue a wide range of careers. Our alumni generally find work in leading consulting firms, investment banks, M&A boutiques and investment funds, as well as real sector companies and research institutions.

The high quality of the programme is the result of the efforts of its team of highly-skilled instructors, among whom there are top Russian academics, many of whom hold a PhD degree from western universities, as well as financial experts from top global financial firms. One of the key advantages of the programme is that it offers both theoretical knowledge and practical skills in finance. For instance, high-quality theoretical skills enable graduates to choose from a wide range of careers while practical skills can give them a real edge on the job market, allowing them to be prepared for the most challenging job interviews. Therefore, fundamental theoretical courses in macroeconomics, corporate finance, microeconomics, financial theory, risk management and corporate administration are led by holders of PhDs and Doctor of Science degrees. In addition, a wide variety of practical courses dedicated to such subjects as corporate valuation, M&A deals, financial modelling, venture capital, are overseen by experts from firms like KPMG, E&Y, PriceWaterhouseCoopers, and consulting companies, as well as financial experts with extensive experience with emerging markets.

The Master's programme is structured so that it can provide solutions to key tasks, which are fundamental to stay up-to-date on professional innovations and development trends of the profession, and to be able to successfully pursue a career in financial or economic departments in business, in financial consulting, or in research.

The programme includes the following:

- in-depth study of the latest concepts in corporate finance and valuation methods, which form the basis for contemporary global financial analysis;
- knowledge of the principles and methods used to carry out empirical research of financial problems faced by firms – raising and structuring capital, investing, investor compensation and acquisition of controlling stakes;
- skills in preparation for and in holding research into corporate financial solutions in Russia and other emerging capital markets;
- in-depth study of the principles and methods of financial innovation and modelling within firms and their specifics in emerging capital markets;
- in-depth study of models and methods for administering corporate valuation activities and their development with regard to national conditions and corporate specifics;
- developing models and methods to assess the performance of firms' market strategies
- in-depth study and development of skills for developing financial strategy models for firms;
- understanding the aspects of analysis and development of financial problems within innovation-focused companies;
- in-depth study of financial mechanisms and the performance of firms going through transformations via mergers, acquisitions, and strategic and financial restructuring.
- in-depth study of processes of developing the financial architecture of firms and corporate governance financial mechanisms connected with the activities of boards of directors.

3. Target Audience of the Programme

Our Master's programme is primarily aimed at candidates who have already received a Bachelor's degree in economics or finance in various countries. One of the programme's key principles, drawn from the practices of business schools, is collaborative learning. Our students work in teams on projects within each financial course. Therefore, we are happy to take in applicants with a diverse array of experience and educational backgrounds.

Applicants to our programme include holders of Bachelor's degrees from HSE (all campuses), MSU, SPBU, NSU and other major Russian academic institutions; graduates of specialized universities (Financial University under the Government of the Russian Federation and RANEPA); graduates of economics faculties of top universities and business schools in emerging markets; graduates and students of universities in developed countries with an interest in emerging market finance. In addition, the programme's financial courses are very popular among students attending HSE under exchange programmes.

In the course of the 2018-2019 academic year, the programme has welcomed students from 11 countries with a working language being English. Knowledge of Russian is not compulsory but studying it is nevertheless recommended. The programme features two courses offered in the language of the university. The majority of our students from other countries study Russian and are eager to take Russian-taught courses related to emerging markets.

Studying on the programme is a challenge: over the two years of their studies, learners must attain a very high level of theoretical knowledge and the necessary skills for becoming financial experts, as well as carry out independent research. Therefore, we seek motivated and committed candidates. We are open to a wide range of views and interests.

Our students traditionally work in scientific laboratories, take part in case-study competitions, take CFA (Chartered Financial Analyst Institute) exams, etc. Furthermore, many of them study at our partner universities during the second year of study to secure a double degree.

In order to study on the programme, students should have a good background in mathematics. We recommend possessing knowledge of probability theory and statistics. We also welcome knowledge of the basics of econometrics.

Admittance to the Master's programme is possible on state-funded places (40 places) and on places on a contractual basis (10/10 for international students). Furthermore, every year our programme is involved in organizing student Olympiads, where the winners can secure the highest possible scores for their entrance exams.

As entrance examinations, a candidate may take HSE's economics and finance exams, or submit the results of the following tests: GRE Revised General test/ GRE Subject in mathematics/ GMAT (a scale of comparable results is available on the programme's homepage). With respect to students who hold a Bachelor's degree that's not in English, IELTS results and qualification exam results must be submitted too.

4. Analysis and Demand on the Job Market for the Programme's Graduates

The programme was launched in 2005. Over these years, many of our students have become highly-qualified specialists. Our alumni have worked and are employed in such firms as Goldman Sachs, Morgan Stanley, ING, Accenture, Oliver Wyman, BCG, Roland Berger, AT Kearney, Gazprombank, VTB Capital, Sberbank CIB, Renaissance Capital, Rosnano and many other corporations and funds. Our alumni also regularly come to us to find young financial experts. Our graduates are in high demand in many different spheres. The most popular career trajectories include:

- investment banks and companies: Sberbank CIB, VTB Capital, Goldman Sachs, J.P. Morgan, Morgan Stanley, Alfa Capital, Gazprombank, Uralsib, Prosperity, GHP Group, Renaissance Capital;
- strategic and financial consulting: AT Kearney, McKinsey, Accenture, Oliver Wyman, BCG, Roland Berger, Monitor Group;
- business valuation: KPMG, PWC, E&Y, Deloitte;
- the real sector: AkzoNobel, L'Oreal, Gazprom, Rosneft, Lukoil, RusAl, Norilsk Nickel, Rosnano, Rosatom, Vimpelcom, Rostelecom, etc.
- science: Mannheim University, Tilburg University, De Nederlandsche Bank, HSE, etc.

In this programme, special attention is paid to the competency model of training future financial experts with an emphasis on the following;

- instilling fundamental knowledge necessary for graduates to plan out their careers in our professional area, allowing them much flexibility while adapting to the professional services market;
- developing innovative abilities required to enable the transition to innovative models of business and the national economy;
- concentration of resources to train elite experts, capable of working creatively, with special skills in creating and generating knowledge;
- ensuring meeting global educational standards for the profession and recognition of alumni's professional qualities on the part of international potential employers;
- transforming our programme into a centre of professional education that is attractive for international students.

In the execution of this programme, we focus our efforts on developing various competencies: social-personal, inherent to persons as individuals; general professional skills associated with skills to trouble-shoot professional tasks; and specialized competencies that ensure the connection to a particular work subject.

It is our belief that there are various dimensions to the specialized professional skills of a contemporary economics-and-finance expert. The development of this Master's programme is driven by demand for fundamentality in the training of financial experts who meet the requirements of elite professions and who are capable of working in the analytical, economic, financial and investment and other departments of companies and research institutions. Furthermore, the programme aims to develop an extensive standard for corporate financial experts, that incorporates three dimensions of special professional competencies;

- researcher;
- analyst;
- manager.

The dimension of a “researcher” includes professional competencies, related to the following areas in our profession:

- building theoretical models and hypotheses that define the entirety of corporate financial solutions - raising and structuring capital, investment and enabling financial flexibility, investor remuneration, acquiring controlling stakes in firms, corporate restructuring;
- empirical validation of existing models and new hypotheses with respect to corporate financial solutions on Russian and emerging capital markets;
- conducting research into new processes and trends with respect to the totality of corporate financial solutions as the world moves towards a knowledge economy;
- conducting research in the specifics of corporate financial solutions with complex ownership structures and diversified operations (holding structures), and their key characteristics on emerging capital markets;
- researching the financial architecture of firms, corporate oversight mechanisms and implementation of the strategic functions of boards of directors.

The dimension of an “analyst” includes professional competencies related to the following areas in our profession:

- analysing corporate capital and factors influencing its investment value in real-life conditions;
- the value of firms under real conditions;
- analyzing and assessing the intellectual corporate capital of organizations under specific conditions;
- assessing the capital performance of firms on the basis of investment value;
- carrying out financial analysis of firms' market strategies, including the application of contemporary analytical technologies with due consideration of changing trends in business;
- financial consulting in the aforementioned areas for outside companies and boards of directors;
- personal financial consulting (consulting on personal finance).

The dimension of a “manager” includes professional competencies related to the following areas in our profession:

- managing firm value relying on financial models systems;
- raising capital, developing and planning out its structure;
- finding financial justifications for a firm's strategy of its organic growth and development through acquisitions; financial management under growth conditions;

- finding financial justification for a firm's restructuring strategy; financial management of transformation processes;
- managing corporate risk;
- financing planning and forecasting processes as part of strategic planning efforts.

5. Structure of the Programme

- «Теория финансов» / Theory of Finance (Родина В.А., MSc from University of York),
- «Корпоративные финансы (продвинутый уровень)» / Corporate Finance (Advanced Level) (Ивашковская И.В., Пирогов Н.К., Кокорева М.С.),
- «Оценка стоимости компании» / Business Valuation (Григорьева С.А., Яценко Б.Н., E&Y)

К дисциплинам по выбору относятся:

- Mergers, Acquisitions and Restructuring of a Firm / «Слияния, поглощения и реструктуризация фирмы» (Григорьева С.А., Партин И.М.),
- Behavioral Finance / «Поведенческие финансы», (Степанова А.Н.),
- Corporate Governance / «Корпоративное управление» (Лазарева О.В.),
- Corporate Risk Management / «Корпоративный риск-менеджмент» (Дранев Ю.Я.),
- Financial Management in a Holding Company / «Управление финансами в холдинге» (Бончев И.Р.),

The programme's academic plan includes a block of courses, which form the key concepts of the programme, or "core courses", which ensure that students learn the key basics and necessary methodological skills, as well as a block of related courses, which is in line with the classification of courses as per the Bologna Process. All blocks of courses have been divided into mandatory and optional ones from closed and open pools according to HSE's established approach.

Mandatory and recommended disciplines include:

1. general economic courses:

- Advanced Macroeconomics / (A.V. Dementiev);
- Advanced Econometrics / (O.A. Demidova);
- Microeconomics (Advanced Level) / (A.A. Friedman, Y.V. Avtonomov).

2. major courses:

- Theory of Finance (V.A. Rodina, MSc from University of York);
- Corporate Finance (Advanced Level) (I.V. Ivashkovskaya, N.K. Pirogov, M.S. Kokoreva);
- Business Valuation (S.A. Grigorieva, B.N. Yatsenko, E&Y).

Optional disciplines include:

- Mergers, Acquisitions and Restructuring of a Firm (S.A. Grigorieva, I.M. Partin);
- Behavioral Finance (A.N. Stepanova);
- Corporate Governance (O.V. Lazareva);
- Corporate Risk Management (Y.Y. Dranev);
- Financial Management in a Holding Company (I.R. Bonchev);
- Consolidated Financial Statements (S.A. Kuzubov);
- International Tax Planning (PwC);
- Asset Management (V.A. Rodina);

- Financial Investigations (Deloitte);
- Financial Modelling (M.S. Kokoreva).

Two optional courses in the language of the university:

- Venture Financing (I.I. Rodionov);
- Investment in Shares on an Underperforming Market (E.V. Chirkova).

Core courses have been taught in English for several years already, while general economic subjects have been taught in English since 2015/2016.

The “Corporate Finance (Advanced Level)” course forms the methodological basis for analysis of the performance of corporate financial solutions, studying the motives of actors and their impact on such solutions, the principles for the development of a firm’s financial architecture and how it impacts on property structures, the structure of capital and mechanisms for corporate oversight. The course was developed with a focus on contemporary theoretical concepts of financial solutions and their impact on corporate performance, as well as the results of their real-life application. The “Business Valuation” course provides instruction in current methods for assessing corporate value with a focus on developing valuation methodologies for the needs of the knowledge-based economy, where intellectual resources play a key competitive role uncertainty and competitiveness are observed, with a special focus on how valuation models are applied on a national scale.

The training of highly-qualified graduates in corporate finance should include consideration of the growing role in contemporary science of finances of the motives, stimuli and types of behaviour for understanding internal business processes and its performance. Therefore, the programme’s specialized courses include such subjects as “Corporate Management” and “Behavioral Finance”.

The block of optional support courses offers the approach of enhancing the corporate value and assessing its performance through economic profit in application to solutions for companies with complex structures of operations. Furthermore, the specifics of internal cash and capital flows in complex structures are considered in the course “Financial Management in a Holding Company”. The course “Mergers, Acquisitions and Restructuring of a Firm” offers students an analysis of financial solutions at the various stages of corporate restructuring and critical stages in the life cycle of a firm. The “Venture Capital” course considers the specific aspects of analyzing the financial solutions of innovation-focused companies. In addition, the “Financial Modelling” course teaches students about how financial models are developed for the purposes of applied analysis, valuations and cost management, and financial planning. Also, visiting professors from our partner institutions provide seminars for learners.

Furthermore, the specifics of financial analysis for the real estate markets and business models for development are discussed in the “Investing in Stocks in an Underperforming Market” course. The “Corporate Risk Management” course was designed to inform students about the methods and models used in financial risk management in the real sector of the economics, as well as the financial innovations used to oversee finances. These blocks involve experts from PricewaterhouseCoopers, E&Y and KPMG who look at real-life cases.

Master classes are held by our graduates, as well as representatives of such companies as VTB Capital, Sberbank CIB, BCG and many others.

More information about the programme’s courses for the first and second years of study can be found here: <http://www.hse.ru/ma/companyfin/students>.

6. Key Principles of the Programme in Terms of its Position on the Educational Services Market

This programme has a good standing in Russia and CIS. It was launched in 2005 by HSE Professor Irina Ivashkovskaya. It was created as an innovated project, which is unique among Russian universities.

The main principles laying the foundation for the programme include integration, collaborative learning, case-study based approach and international outlook.

Firstly, the programme is not of a separate educational project. The educational process is integrated with research activities and involves students in the global financial community. Our students get to study, work in laboratories, present papers at conferences and write articles so that they can be visible to potential employers. In particular, they take part in case-study competitions and join professional organizations (CFA, ACCA, EFA, EURAM, etc.). As the results, students can obtain a quality theoretical base (knowledge), a mindset specific for financial expertise (thinking) and can present themselves through well-written CVs and signalling.

Secondly, our students are constantly involved in team study of cases drawn from real-life experience. This principle is based on the best global practices in financial education usually pursued at the top business schools. The opportunity to work within teams allows students to develop necessary skills, and the possibility of effective cross-education among participants. This helps to instil soft skills (e.g., public speaking and presentation development). Finally, rotation of teams and mentoring allow our students to build their professional social network in the finance and investment industry.

The third principle of the programme is international outlook. We are open to partnerships with universities from around the world. Every year, our courses are attended by many students who come to HSE on exchange programmes. All teams with our students are international in nature. Furthermore, students from Russia are eager to “buddy up” with their co-students from other countries. Many of our students can obtain two degrees: one from HSE and one of its partner universities. Annually up to 10 students year travel to other countries for their second year of study. Our alumni grow into active players on the global financial market. They work in major financial centres such as London, Geneva, Amsterdam, Moscow, Sydney, and New York. International outlook is exemplified by teams employed in major investment banks (Goldman Sachs, Morgan Stanley, Barclay’s, etc.), leading consulting firms and investment funds. Therefore, we consider this approach essential for training top-quality financial experts.

Today, the programme is in high demand among applicants. Over the last five years, only one Russian applicant in three has been successful in entering the programme. We receive many applications from emerging markets. For instance, in 2018-2019, following a strict selection of candidates, we accepted around 20 students from CIS and other developing countries. At present, students from over 10 countries are enrolled on the programme. Furthermore, several dozen exchange students take part in courses in the course of an academic year.

Our key competitors in Russia include – NES, MIEF, and GSOM; in Eastern Europe – Stockholm School of Economics in Riga, Koc University, Sabanci University (Turkey), the Warsaw School of Economics, University of Economics (Prague), etc. Furthermore, in the emerging markets, we compete for students from south-eastern Asia with a number of Chinese universities, Indian business schools and various campuses of European universities and schools.

Over the last three years, our students have taken part in the exchange and double-degree programme at the following partner institutions:

- Amsterdam Business School (Netherlands);
- Lancaster University (UK);
- University of Bologna (Italy);
- Pantheon-Sorbonne University (France);
- Humbolt University of Berlin (Germany);
- University of Groningen (Netherlands).

7. Organization of Student Projects and/or Research Activities

For the purposes of developing culture and skills for researching financial solutions in organizations relying on the up-to-date analytical skills of our Master’s students, starting from the first year of study, research seminars are held, which include discussions on key research issues. A comprehensive academic seminar held in the first year of study covers the subject of empirical

corporate finance. The seminar is focused on studying the methods and models for empirical analysis of the effectiveness of corporate financial solutions and their outcomes. This approach helps to prepare Master's students for carrying out independent research and writing their thesis works. In the second year of study, seminars are held on strategic corporate financial management. These events involve visiting professors and experts from our partner universities.

Since 2006, the Laboratory of Corporate Finances at the Faculty of Economics has been headed by Irina Ivashkovskaya, where experts research corporate administration, capital structures, IPO performance, M&A deals, bankruptcy procedures, etc.

Furthermore, our Master's students actively take part in research projects at corporate finance laboratories and publish papers in academic journals, as well as participate in international conferences in Europe.