

## **Corporate Investment Strategies**

This 36-hour course is offered in the Master 1 Corporate Strategies and Industrial Organization, University Paris Panthéon-Assas, at the 4<sup>th</sup> year of Economics.

The course on corporate investment strategies is divided into two parts. The first part presents the methods and models of corporate investment in a certain universe and the second in an uncertain universe. The course is based on a pedagogy that starts from concrete life and ends with modeling. This pedagogy allows to fix in mind the sometimes-complex mechanisms with which companies decide their investments. The models in certain universes are based above all on the concept of the schedule and the investment problems encountered by companies are presented. The concept of cash flow and its consequences are widely discussed. Investments being by nature inter-temporal, the notion of discounting and capitalization allow us to understand what are the criteria for making or refusing to make one or several investments. The analysis of physical investments is based on the concepts of actuarial rate and internal rate of return of projects. The second part of the course is devoted to models in an uncertain universe. It is necessary to define the axioms that allow the decision-maker to make rational reasoning in uncertainties. From these axioms, the portfolio theory and the models associated with it are presented. The concept of real option is finally introduced at the end of the course.