



FINA 4210 33-432
Applied Corporate Finance
Fall 2007: MWF 9:05-9:55, Caldwell 203
542-3654
Class home page: Webct
Email: jnetter@terry.uga.edu
Cell 706 207-2296
Office hours: TBA and by appointment

Dr. Jeffry Netter
Office 456 Brooks
Phone (O) 706

Announcements: Students are responsible for checking the class web page for announcements. It is the official source of information about the class, including upcoming assignments. It is on Webct. The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary. We will try and respond to current events so deviations and additions will occur.

Course Objectives: The official course description states, “Corporate financial decision making by applying the tools, techniques, and theories of finance to actual business decisions. Note this is the capstone finance department class. FINA 4200 is a prerequisite.

This course is designed to teach students about Topics in Applied Corporate Finance. We will cover many different topics including applications of concepts you have covered in earlier classes. There will be a lot of reading. We will begin with some cases and then use M&A as a framework to continue our study of corporate finance.

One major difference between this and other earlier classes is that we will stress application of concepts to new material not just repetition of what you have learned.

Structure: The course format will be lecture with classroom discussion. Students will be responsible for assigned readings and other material, which will be introduced in the lectures. In addition, the goal of the class is to learn a framework for analysis that will be useful in many contexts. Thus, students are encouraged to read the *Wall Street Journal* or *New York Times* and other publications and introduce into class current topics that are related to our analysis. The structure in this class is going to be very topical in that we will apply our learning to current events.

Course requirements grading: Course grades will be based on two scheduled tests (20% each), final (20%), various homeworks and quizzes throughout the term (15%), group grade (20%) and professor discretion (5%). Professor discretion is based on what you add (or take away) from the class, including discussion from the news. Attendance is directly related to what you add to class – it is hard to add to class if you are not there. The quizzes/homeworks will be graded check +, check, or check -. If you do not take the quiz/homework you will receive a check -. There will be one makeup quiz/homework in case you miss one. It will be difficult and can not replace another quiz that you took. The

quiz dates will be not necessarily be announced in advance. There will be no makeup exams for any reason. Under extraordinary circumstances a test may be taken at a slightly different time. If a test is missed the weight will be added to the final.

All requests for review of graded work must be made promptly (within one week of return of the work) and must be in writing. The request must include an analysis of how the work was interpreted or graded inaccurately. I will regrade the entire test (since I grade a test as whole) and you can also lose points.

Groups will be formed early in the term.

If you want to drop the class when you are failing the class you will receive a WF.

Academic Honesty:

The University of Georgia requires a statement of Academic Honesty be put on the syllabus. All academic work must meet the standards contained in "A Culture of Honesty." All students are responsible to inform themselves about those standards before performing any academic work.

"I will be academically honest in all of my academic work and will not tolerate academic dishonesty of others."

— UGA Student Honor Code

http://www.uga.edu/ovpi/academic_honesty/academic_honesty.htm

Text:

Applied Mergers and Acquisitions by Robert Bruner, Wiley Finance 2004, ISBN 0-471-39506-4

Watch Squawk Box (MSNBC 6-9 AM) or check out webpage.

Wall Street Journal or New York Times

Data sources: Wharton Research Data Service: <http://wrds.wharton.upenn.edu/>
ID=fina9100, pw =GO2007dawgs Case matters and you can not login through Webct

Numerous readings that are posted throughout the term. They will be posted in Course materials. There is a section for articles, for new stories, and overheads. **Check and see if there are new postings, especially in the news stories. Overheads will also be posted.**

General outline:

The following is a guide for the beginning of the term and a guide for how the class will progress. It will change and there will be new readings posted on the webpage. Check the webpage for new readings. This is the only way to stay topical.

Week 1 and Week 2: Aug. 17-24: Introduction, Goals, Issues

Overview The 10 best and 10 dumbest business decisions.

Read the articles by Carroll, Netter, scholars debate the role of business, and skim the Jensen article about the goals of business. Read also Ch.1 and 17 and overview Chs. 2 in the Bruner book. All are posted in the articles section.

I have also posted in the overheads section overheads for our introduction.

Week 3: Aug. 27- Aug 31: Security regulation, introduction to security issuance

Go to the SEC webpage and examine a filing. Examine the MCI filing posted in course materials.

Read chapters 8, 27,. Skim 20, and 21.

Week 4: Sept. 3-7: Continued

Continue security regulation and issuance.

Week 5: Sept. 10-14: Efficient Markets, Dodge v. Ford, and The Investment Decision.

Read the article by Jones and Netter and overview the Challenger article by Mulherin. Read Dodge v. Ford for the big picture not the legal issues

Week 6: Sept. 17-21: Valuation and Test 1

Test 1 will be this week. Read chapter 3 and 9

Week 7: Sept. 24-28: Valuation Continued

See reading for previous week

Week 8: Oct. 1-5: Advanced security issuance, financing decisions

Valuation and M&M reading Ch. 20, 21 and TBA

Week 9: Oct. 8-12: Reasons for mergers

Read Chs. 3, 4 and 5, and 7 and skim Ch.6 in Bruner.

Week 10 Oct. 15-19: mergers continued

Readings TBA

Week 11: Oct. 22-24: Catchup and current events.

The following is very tentative except that Test 2 will be the week of Nov. 5

Week 12: Oct.29-Nov.2: More valuation

Read Ch. 9, 10,11

Week 13: Nov. 5-9: International concerns

Test 2, read Ch. 12

Week 14: Nov. 12-16

TBA

Week 15: Nov. 19 More M&A

Read ch. 14, 15

Week 16: Nov 26-30

TBA

Week 17: Dec. 3, 4, 5.

Final

Wed. Dec 12 8-11.