

FINA 4210
Applied Corporate Finance
Tu-Th
206 Caldwell

Professor Harold Mulherin
455 Brooks Hall
542-3644
mulherin@terry.uga.edu

Textbook: *Takeovers, Restructuring, and Corporate Governance* (4th Edition) 2004, Prentice Hall, by J. Fred Weston, Mark L. Mitchell & J. Harold Mulherin

Course Objectives: The course will apply concepts in corporate finance to mergers and acquisitions (M&A), corporate restructuring, and corporate governance. We will consider fundamental principles such as market efficiency and firm valuation and will also examine big picture ideas such as the impact of technology and politics on corporate organization and performance. As shown on the attached course schedule, the material will be presented in four modules: (I) Causes of merger activity, (II) Effects of merger activity, (III) Valuation, and (IV) Restructuring and governance.

Course Structure: The format will include lectures and discussion. In each module, we will apply the course material to recent M&A deals in particular industries. We will have specific discussion days for the banking, telecommunications and energy industries.

Research Methods: An important function of the course is to guide the student in performing independent research employing information resources such as Yahoo Finance (finance.yahoo.com), the U.S. Securities and Exchange Commission (www.sec.gov), and LexisNexis (through the UGA Library).

Grading: Evaluation will be based on two in-class written exams and participation and quizzes (including an occasional pop quiz).

<u>Assignment</u>	<u>Date</u>	<u>Weight</u>
Exam #1	February 26	35%
Exam #2	April 17	35%
Participation and Quizzes		30%

The exam dates are firm. Only dire circumstances constitute a make-up. Exams must be taken in the student's registered section.

Quizzes cannot be made up. (In other words, for quizzes, there are no excused absences or drops.) Quizzes must be taken in the student's registered section.

Attendance and participation is an important part of the learning process. While we will cover the textbook fairly thoroughly, we will also be studying recent and ongoing cases of M&A activity during the semester. Students must attend their registered section.

Academic Honesty: Remember that all academic work at UGA operates under a policy of academic honesty as detailed at: <http://www.uga.edu/ovpi/honesty/acadhon.htm>

Course Schedule

<u>Date</u>	<u>Topic</u>	<u>Reading Assignment</u>
I. The Causes of Merger Activity		
January 8	Introduction	
January 10	The Takeover Process	Chapter 1 and Appendix A
January 15	The Legal Framework	Chapter 2
January 17	Deal Structuring	Chapters 3, 4 & 5
January 22	Theories of Mergers	Chapter 6
January 24	Theories (continued)	Chapter 6 (cont.)
January 29	Discussion day on the banking industry	
II. The Effects of Merger Activity		
January 31	Timing of Merger Activity	Chapter 7
February 5	The Telecommunications Industry	Appendix A of Chapter 7
February 7	Worldcom, AT&T, and other cases	p. 17, 39, 290-293, 587-589
February 12	Empirical Evidence on M&A	Chapter 8
February 14	Analysis of an M&A Sample	Appendix A of Chapter 8
February 19	Discussion day on the telecommunications industry	
February 21	Review	
February 26	Exam #1	
February 28	International M&A	Chapter 17
March 4	International M&A (continued)	Chapter 17 (cont.)
March 6	Re-cap thus far	
March 10-14	Spring Break	
III. Valuation		
March 18	M&A Valuation	Chapter 9
March 20	M&A Valuation (continued)	Chapter 10
March 25	Chemical and oil deals	Appendix A of Chapter 6
March 27	Natural Gas Industry	Appendix A of Chapter 11
April 1	Discussion day on the energy industry	
IV. Restructuring and Governance		
April 3	Corporate Restructuring	Chapter 11
April 8	Empirical Restructuring Evidence	Chapter 12
April 10	Leveraged Buyouts	Chapter 16
April 15	Corporate Governance	Chapters 19 & 20
April 17	Exam #2	
April 22	Current Events Discussion	
April 24	Current Events (continued)	