



FINA 4210 00-603
Applied Corporate Finance
Fall 2008: MWF 10:10-11:00 (54-887) and 11:15-12:05 (74-938)
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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 fair amount of reading. We will 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. This is difficult for some students, as evidenced by the comment I have received on evaluations more than once: “the material on the tests was not what we covered in class.”

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 (15% each), comprehensive final (15%), various quizzes and homeworks throughout the term (sometimes online) (15%), group grade (35%) 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. There will be no makeup exams or quizzes for any reason. A missed quiz or homework will be graded as a 60. 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.

The groups will be assigned very quickly. The group grade will in part be based on the assessment of your contribution and mainly on the performance of the group. Contribution is mainly defined as effort. I will use class time for group meetings at times, since it is difficult for groups to meet outside of class.

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. I spend a lot of time on reading tests (less so on homeworks) and usually do not make mistakes – although they do occur.

Groups will be formed early in the term. The groups will have numerous projects and assignments throughout the term leading to a final project.

If you want to drop the class when you are failing the class you will receive a WF. Also a student will be dropped from the class with more than 6 unexcused absences.

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 lists Bruner readings not readings on the webpage Check the webpage for the up to date assignments.. This is the only way to stay topical. I will note post dates because topics may take a different amount of time.

Week 1 and Week 2: Introduction, Goals, Issues

Read articles 1-7 posted in the articles section. Read also Ch.1 and 17 and overview Ch. 2 in the Bruner book.

Week 3: Dodge v. Ford

Read the Dodge v. Ford case for the finance issues it raises. There are a lot of issues.

Week 4: Security regulation, introduction to security issuance

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

Week 5: Continued

Continue security regulation and issuance.

Week 6: Efficient Markets, Valuation, and The Investment Decision.

Week 6: Valuation

Read chapter 3 and 9

Week 7: Valuation Continued

See reading for previous week

Week 8: Advanced security issuance, financing decisions

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

Week 9: Reasons for mergers

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

Week 10 Mergers continued

Readings TBA

Week 11: Catchup and current events.

Week 12: More valuation

Read Ch.10,11

Week 13: International concerns

read Ch. 12

Week 14:

TBA

Week 15: More M&A

Read ch. 14, 15

Week 16:

TBA

Final