

FINA 4210  
Applied Corporate Finance  
Tu-Th  
209 Sanford

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Textbook: *Takeovers, Restructuring, and Corporate Governance* (4<sup>th</sup> 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](http://finance.yahoo.com)), the U.S. Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)), and LexisNexis (through the UGA Library).

Grading: Evaluation will be based on two closed-book written exams and participation and quizzes (possibly on a pop basis).

<u>Assignment</u>	<u>Date</u>	<u>Weight</u>
Exam #1	Wednesday February 25, 6:15-7:45 pm, Brooks 145	40%
Exam #2	Wednesday April 22, 6:15-7:45 pm, Brooks 145	40%
Participation/Quizzes		20%

The exam dates and times are firm. Only dire circumstances constitute a make-up.

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>Day/Date</u>	<u>Topic</u>	<u>Reading Assignment</u>
I. The Causes of Merger Activity		
1. January 8	Introduction	
2. January 13	The Takeover Process	Chapter 1 and Appendix A
3. January 15	The Legal Framework	Chapter 2
4. January 20	Deal Structure	Chapters 3, 4 & 5
5. January 22	Theories of Mergers	Chapter 6
6. January 27	Theories (continued)	Chapter 6 (cont.)
7. January 29	Discussion day on the banking industry	
II. The Effects of Merger Activity		
8. February 3	Timing of Merger Activity	Chapter 7
9. February 5	The Telecommunications Industry	Appendix A of Chapter 7
10. February 10	Market Efficiency	class notes
11. February 12	Empirical Evidence on M&A	Chapter 8
12. February 17	Analysis of an M&A Sample	Appendix A of Chapter 8
13. February 19	Discussion day on the telecommunications industry	
14. February 24	Review	
Wednesday February 25	Exam #1	6:15-7:45 pm, Brooks 145
15. February 26	International M&A	Chapter 17
16. March 3	International M&A (continued)	Chapter 17 (cont.)
17. March 5	Re-cap thus far	
March 9-13	Spring Break	
III. Valuation		
18. March 17	M&A Valuation	Chapter 9
19. March 19	M&A Valuation (continued)	Chapter 10
20. March 24	Chemical and oil deals	Appendix A of Chapter 6
21. March 26	Natural Gas Industry	Appendix A of Chapter 11
22. March 31	Discussion day on the energy industry	
IV. Restructuring and Governance		
23. April 2	Corporate Restructuring	Chapter 11
24. April 7	Empirical Restructuring Evidence	Chapter 12
25. April 9	Leveraged Buyouts/Private Equity	Chapter 16
26. April 14	Corporate Governance	Chapters 19 & 20
27. April 16	Corporate Governance (continued)	
28. April 21	Review	
Wednesday April 22	Exam #2	6:15-7:45 pm, Brooks 145
29. April 23	Current Events Discussion	
30. April 28	Current Events (continued)	