

## **Cases in Finance MBA 682 Course Syllabus**

### **Course Description**

By employing a case study approach focusing on complex problems, students gain a deeper understanding of corporate forecasting, capital budgeting, cost of capital analysis, and the financing of capital investments. The impact of financial decisions on strategic investment completes the course.

The course combines a theoretical approach to the understanding of finance, with examples of how this theoretical knowledge is applied in practical situations. Through such key concepts as cost of capital, term structure of interest rates, capital budgeting, optimal capital structure, and maximization of shareholder value, students learn the analytical techniques necessary to make rational financial decisions.

### **Course Objectives**

At completion of the course, students will be able to:

- ⇒ Identify and successfully use the appropriate financial tool(s) in analyzing data
- ⇒ Perform financial analysis by applying relevant formula and models
- ⇒ Critically evaluate the financial decisions of selected cases
- ⇒ Process financial theory and apply it to practical situations
- ⇒ Develop solutions to case studies involving complex variables

### **Instructors**

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### **Required Materials**

Case Studies in Finance: Managing for Corporate Value Creation by Bruner, Eades, Schill, 6<sup>th</sup> edition, New York, NY, 2010 ISBN: 978-0-07-338245-6

EMail Account - (Send EMail to instructor BEFORE 2nd class)

Financial Calculator - (recommend HP12C)

Access to Personal Computer and Spreadsheet program

### **Recommended Material**

Principles of Corporate Finance by Richard Brealey, Stewart Myers, and Franklin Allen

### **Course Requirements**

40% Presentations  
40% Analyses  
20% Final Exam

### **Grading**

|   |         |
|---|---------|
| A | 90-100% |
| B | 80-89%  |
| C | 70-79%  |
| F | 0-69%   |

Pluses and minuses are assigned at the instructor's discretion.

Presentations – Students will self select groups and work together to present assigned cases. This will include problem identification, core questions to be answered, analysis and recommendations. The presentation must utilize PowerPoint slides and “Presenters” should provide copies of the slides to each student. The Presenters must be prepared to respond to the critique from student analysts. Grading will be based upon appropriate identification of questions, accurate and thorough analyses, quality of decisions, and response to Analysts’ critiques. Presentations should include a BRIEF review of the *relevant* case facts and consume no more time than is necessary to cover the relevant questions, analysis and decision.

Analyses – Students not presenting the case will be randomly selected as “Analysts” of the presentation. They are responsible to prepare for the case presentation by reading and understanding the case issues. Some preliminary analyses may be helpful. Analysts must critique, question, challenge, discover inconsistencies, and provide additional insights to the Presenters. Grading will be based on the quality and quantity of these contributions to the case discussion. Part of the analysis requirement of the course includes participation in current events analysis and other non-presented cases. Students are required to participate.

Final Exam – The final exam will be a take-home exam which must be completed alone. The exam will be a comprehensive case analysis.

| Date   | Topic  | Case 1                                | Case 2                          |
|--------|--|---------------------------------------|---------------------------------|
| 10-May | Class Introduction                                   | Disney (download)                     |                                 |
| 17-May | Market Efficiency and Value Creation                 | (2) Bill Miller / Value Trust         | (4) Federal Express             |
| 24-May | Capital Budgeting                                    | (22) Victoria - A                     | (23) Victoria - B               |
| 31-May | NO CLASS   |                                       |                                 |
| 7-Jun  | Cost of Capital /<br><i>Br. Aerospace (download)</i> | (15) Teletch                          | (16) Boeing                     |
| 14-Jun | Dividend Policy and IPOs                             | (26) Gainsboro                        | (28) Jet Blue                   |
| 21-Jun | Capital Structure                                    | (30) Wrigley                          | (33) California Pizza           |
| 28-Jun | Derivatives  | (37) Baker Adhesives                  | Chrysler Warrants<br>(download) |
| 5-Jul  | NO CLASS   |                                       |                                 |
| 12-Jul | NO CLASS   |                                       |                                 |
| 19-Jul | Valuing Acquisitions                                 | Brown-Forman Distillers<br>(download) | (47) Palamon                    |
| 26-Jul | Valuing Acquisitions                                 | (43) Flinder Valves                   | (44) Hershey Foods              |