B40.2304 - Restructuring Firms and Industries
NYU Stern School of Business

Spring 2012
Saturday, 9:00am – 12:00pm
Location: TBD

Adjunct Prof. Stacy Dick
Office Hours: by appointment

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Description: Issues in strategic transactions, corporate finance and corporate governance. The course encompasses five broad topics: (i) the corporation in context: legal, financial, industrial and historical frameworks, (ii) conceptual and practical issues in a broad range of corporate strategic/financial transactions, (iii) corporate governance mechanisms (internal and external), (iv) corporate financial strategy (leverage, risk and incentives), and (v) other related topics (financial distress, emerging regulation).

Transactions are covered in a sequence that mirrors the life cycle of many companies: transition from private to public ownership (IPO), growth and diversification (mergers and acquisitions), governance challenges (proxy contests), restructuring (spin-offs, spin-outs, divestures, LBOs) and financial distress/bankruptcy/re-emergence.

Each three-hour class will include a discussion of theoretical and practical considerations necessary for a deep understanding of each topic area and will also draw upon several recent real-world examples. Extensive classroom discussion of cases will be encouraged to further reinforce the themes of the course.

Prerequisites: Because this course addresses advanced topics in finance, prerequisites include Foundations in Finance (B01.2311 or B01.2302) and Corporate Finance (B40.2302). These prerequisites cannot be waived by the instructor, so please contact the registrar with questions.

Textbook:

Gaughan, Patrick A.; Mergers, Acquisitions, and Corporate Restructurings (5th ed., 2007); Wiley

Weekly reading packages: Each week, reading packets for the next class will be distributed in class and posted on the class Blackboard site.
Course requirements: Each student will be expected to complete one take-home exam, a final exam due approximately one week following the last class on May 5th. Classroom participation can supplement exam grades by as much as 25%.

Weekly lecture topics (subject to change):

Feb. 11: Course Introduction/Overview  
Feb. 18: Markets, Corporations and IPOs  
Mar. 25: Agency and Governance Problems  
Mar. 3: The Market for Corporate Control  
Mar. 10: Intro. to “Friendly” M&A  
Mar. 17: No class (Spring Break)  
Mar. 24: “Friendly” M&A (cont.)  
Mar. 31: “Unfriendly” M&A  
Apr. 7: “Unfriendly” M&A/Intro. to Spinoffs  
Apr. 14: Spinoffs, spin-outs, etc.  
Apr. 21: LBOs, Risk and Incentives  
Apr. 28: LBOs (cont.) / Bankruptcy  
May 5: Bankruptcy (cont.) / Wrap-up