

**New York University  
Stern School of Business**

C15.0008  
Adv Corporate Finance

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KMC 9-52

**Course Syllabus**

**I. Course Materials**

A. Brealey-Myers-Allen, *Principles of Corporate Finance*, McGraw Hill (BM) is recommended but if you have a Corp Fin text that will be fine. Just review it.

B. Packet I:

1. Syllabus
2. Articles
3. Cases

C. Items to be handed out in class

1. Lecture Notes
2. Homework Problems & Answers

**II. Course Description**

This course analyzes the major financial decisions facing corporate managers. The major topics include investment valuation (capital budgeting), capital structure and dividend policy, and mergers and acquisitions. There will be emphasis on both developing the tools and mindset of the financial practitioner as well as examining specific applications in the form of examples but we will spend a lot of time with case discussions as well. The purpose is to see the concepts of capital structure applied in real world situations – with both more breadth and depth than in the intro corporate finance class.

We will end the course discussing more advanced topics such as Real Options and Behavioral Finance.

## II. Course Schedule

<u>Class</u>	<u>Lecture Topic</u>	<u>Reading</u>
<u>Review</u>		
Sep 6	Capital Structure	
Sep 8	Dividend Policy/Governance	
Sep 13	Valuation	
Sep 15	Mergers and Acquisitions	
<u>Case discussions</u>		
Sep 20,22	AMERICAN CHEMICAL CASE	
Sep 27	MARRIOTT	
Sep 29	MCI	
Oct 4	MCI and Capital structure review	
Oct 6	FORD	
Oct 11	FORD and Dividends review	
Oct 13	CUMBERLAND	Note on Bankruptcy
Oct 18	CUMBERLAND and financial distress restructuring	
Oct 20	GULF	
Oct 25	PARAMOUNT 93	
Oct 27	PARAMOUNT 94	
Nov 1	PARAMOUNT and M&A review	
Nov 3	Review Session	
Nov 8	Midterm	
Nov 10	Paramount and merger analysis	
<u>Advanced Cases</u>		
Nov 15	CONRAIL	
Nov 17	CONRAIL and M&A bidding	
Nov 22	M&A Summary	
Nov 29	JAGUAR	BM26-27,Froot+
Dec 1	JAGUAR and International Finance	
Dec 6	PEPSI	
<u>Advanced topics</u>		
Dec 15	Behavioral Finance & Applications	
	Course Summary	
	FINAL EXAM	

### **III. Grading**

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have agreed that for elective courses the individual instructor or department is responsible for determining reasonable grading guidelines.

I have elected to use the following grading guidelines for this course:

27% Homeworks (see below for breakdown)

17% Class Participation

16% Midterm

40% Final case analysis

Hand in 9 of the 11 case write-ups (listed on previous page) for 3 points each.

(Can be handed in as group assignment up to size 3)

Homework grading follows the following format: A good job earns 3 pts (check +); a relatively weak effort earns 2 pts (check); garbage earns 1 pt (check -).

The midterm will cover the essentials of corporate finance addressed in the earlier cases.

The final will be a case analysis done individually that levers many of the concepts discussed during the term.

## GRADING DISTRIBUTION

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In accordance to the Finance department's suggested distribution, I have elected to use the following grading guidelines for this course: approximately 35% A/A- grades for the class.

## ACADEMIC INTEGRITY

Integrity is critical to the learning process and to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern Student Code of Conduct, which includes a commitment to:

<sup>35</sup>/<sub>17</sub> Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.

<sup>35</sup>/<sub>17</sub> Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.

<sup>35</sup>/<sub>17</sub> Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here: [www.stern.nyu.edu/uc/codeofconduct](http://www.stern.nyu.edu/uc/codeofconduct)

To help ensure the integrity of our learning community, prose assignments you submit to Blackboard will be submitted to Turnitin. Turnitin will compare your submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals, and publications. Additionally, your document will become part of the Turnitin database.

## **GENERAL CONDUCT & BEHAVIOR**

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with Stern's Policy in Regard to In-Class Behavior & Expectations (<http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>) and the NYU Disruptive Behavior Policy (<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/bullying--threatening--and-other-disruptive-behavior-guidelines.html>)

## **STUDENTS WITH DISABILITIES**

If you have a qualified disability and will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Students with Disabilities (CSD, 998-4980, [www.nyu.edu/csd](http://www.nyu.edu/csd)) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.