

FIE428DEL - Cases in Corporate Finance

Course responsible

Aksel Mjøs, Department of Finance and Management Science.

In addition Karin S. Thorburn and Michael Kissler will attend some classes.

Objectives:

The course covers main financial issues facing a corporation such as financing, valuation, risk management, mergers & acquisitions and governance. The aim is to provide the students with advanced knowledge of corporate finance in a practical setting. The course should prove relevant for students seeking a career in investment banking, high-level consultancy, or larger corporations.

Upon completion of the course, the students shall:

- have obtained an advanced and integrated understanding of core corporate finance issues.
- have implemented and understood the use of this knowledge in practical corporate settings.
- have increased competence in presenting and discussing complex corporate finance issues in a challenging context.
- have confidence in conducting clear, written analyses and presentation of corporate finance related solutions towards high level recipients.
- have completed demanding case works and presentations as constructive members of students groups.
- understand the need for huge effort and high precision needed to excel in a demanding role as consultant or investment banker.

Topics

The main course-topics are valuation, capital structure, corporate restructuring, M&A, risk management, real options, and equity offerings.

Prerequisites

Students taking this course are required to possess a good understanding of corporate finance, as documented through either a prior completion of the course FIE 402 or equivalent courses at other institutions.

Literature

There is no textbook. However, useful references include:

Corporate Finance
Corporate Finance
Valuation
Analysis for Financial Management

Business Week
McKinsey on Finance
The McKinsey Quarterly
Financial Management
Journal of Economic Perspectives
Journal of Applied Corporate Finance
Journal of Economic Perspectives
Journal of Applied Corporate Finance
The McKinsey Quarterly
Harvard Business Review
The McKinsey Quarterly
Journal of Applied Corporate Finance

Background Readings for Market Financing (Blue Arrow case)

BMA, Chapter 15.

Nyborg, 1997: How to price Convertible Bonds and why they are issued.

Marsh, 1998: Subunderwriting of rights issues: A failure of competition?

Background Readings for Debt financing and distress (Navigator Gas case)

BDM, Chapter 16.

BMA, Chapter 18.

Journal of Finance
Financial Management
Journal of Applied Corporate Finance
Journal of Financial and Quantitative Analysis
American Economic Review
Harvard Business Review
Journal of Applied Corporate Finance
Across the Board

Teaching

The topics will be introduced by lectures, but much of the time will be devoted to the students' group-wise presentation of assigned cases, other groups' discussion of the presentation and general discussions in class.

Lecture notes will be made available on the course webpage at the beginning of each week. Failing that, they will be made available in class. It is the student's responsibility to check the documentation on the course's webpage.

Due to the effectiveness of class discussions, the number of students is limited to 45.

Requirements for course approval

attendance is mandatory

Group work, in groups of maximum 3 people::

- Hand in a minimum of 4 case write-ups (of the cases listed above, LMC is excluded from these 4). Please note that all groups MUST hand in case write-ups of the Cooper and RJR Nabisco cases. Thus, each group is free to choose two out of the remaining four cases. A full case write-up should always include an executive summary of no more than one page. A good case write-up is concise as expected in "board-level communication". We require that students restrict themselves to a write-up of maximum five pages and relevant appendices of no more than five pages.

- If a group choose to not hand in a case write-up (which is not allowed for Cooper and RJR Nabisco), the group must instead hand in a two-page executive summary. This is to make sure everyone comes to class prepared and ready to participate in the class discussion, Please note that the executive summary included in the full case write-up (of no more than one page) differs from the stand-alone two-page executive summary.

- All assignments should be handed in a plastic folder and also be emailed to Einar Kjenstad (Einar.kjenstad@nhh.no).

- Present at least 1 case.

NOTE:

- For each case, we will require that at least two groups do the case write-up. This may act as a constraint on the available set of cases for a given group.

- If a group hands in more than 4 full case write-ups, only the marks from the Cooper and RJR Nabisco cases along with the two highest marks from the other case write-ups will count towards

the final grade on the written part.

- Groups are allocated cases on a "first-come-first-served" basis.

Individually:

- Hand in 1 assignment individually.
- Actively engage in class discussions

Students with insufficient participation will be notified when the first half of the course has been completed.

Exam

The course will have two grades, one based on the written assignments and one based on "class participation and presentation", which is comprised of class participation (20%) and presentations (30%).

Changes may occur. Course starting date is final. There is no final exam.

Grading scale A - F.

Computer tools

Excel, Word and relevant data-sources will suffice.