



## **Introduction to Finance II**

VL: Tue & Thu: 8:30 – 10:00, Room 125

First class: 8.12.2009

Tutorials: Wed 12:00 – 14:00, Room 203

First class: 16.12.2009

Wed 14:00 – 16:00, Room 203

### **Overview**

This course offers an introduction to corporate financial management. We start by first reviewing the financial tools and strategies available to financial managers, and where firms can raise funds to finance their investment projects. Next, you will learn how to forecast a firm's future funding needs, and understand the determinants of corporate cash policy. In the next part of the course we analyze under what conditions financial decisions increase shareholder value, and when finance would be irrelevant to firm value. In this context we consider two major financial decisions: capital structure and payout policy. Finally, we focus on company/project valuation.

### **Prerequisites**

Introduction to Finance I

### **Team**

Instructor                      Galkiewicz / Adam  
Office hours: TBA

Teaching assistant          Dominika Galkiewicz  
Office hours: TBA

### **Evaluation**

Final exam (100%)

## Readings

Textbook: R. Brealey, S.C. Myers, and F. Allen, *Principles of Corporate Finance*, 9th ed., McGraw-Hill (BMA hereafter).

Cases are available from HBSP at <http://www.hbsp.harvard.edu/> for about 5 Euros per case.

Additional readings, such as journal articles and book chapters, as well as lecture slides, are available from Moodle.

## Course Outline

| #  | Date   | Topic   | Readings   |
|----|--------|---|--|
| 1  | Dec 8  | Introduction  |  |
| 2  | Dec 10 | Corporate securities  | BMA 15 & 25                                      |
| 3  | Dec 15 | Sources of external capital   | BMA 16   |
| 4  | Dec 17 | Cash management and financial forecasting I   | BMA 29   |
| 5  | Jan 5  | Cash management and financial forecasting II  | BMA 30-31  |
| 6  | Jan 7  | Wilson Lumber Company (case study)  | HBS Case 9-286-122                               |
| 7  | Jan 12 | Corporate payout policy   | BMA 17   |
| 8  | Jan 14 | Capital structure I   | BMA 18   |
| 9  | Jan 19 | Capital structure II  | BMA 19   |
| 10 | Jan 26 | Massey-Ferguson (case study)  | HBS Case 9-282-043                               |
| 11 | Jan 28 | Company & project valuation: WACC & APV methods   | BMA 20   |
| 12 | Feb 2  | Company & project valuation: APV & CCF methods<br>Valuing Companies in Corporate Restructurings | HBS Technical Note 9-201-073<br>Stuart C. Gilson |
| 13 | Feb 4  | Valuation: Valuing corporate debt & companies using multipliers                                 | BMA 23 & 24                                      |
| 14 | Feb 9  | Dixon Corporation: The Collinsville Plant (case study) or DB Presentation                       | HBS Case 9-298-165                               |
| 15 | Feb 11 | Review  |  |