



Introduction to Finance II

VL: Mon & Fri: 8:30 – 10:00, Room 22

First class: 5.6.2009

Tutorial: Thu 14:00 – 16:00, Room TBA

First class: 11.6.2009

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 in what markets 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 corporate cash policy. The next part of the course focuses on valuation: corporate debt securities, investment projects, company divisions and entire companies using several different DCF methods. Finally, 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.

Prerequisites

Introduction to Finance I

Team

Instructor	Prof. Tim Adam Office hours: Friday 10-11, Room 217
Teaching assistant	Dominika Galkiewicz Office hours: TBA, Room 215

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 3 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	June 5	Corporate securities	BMA 15 & 25
2	June 8	How corporations raise funds	BMA 16
3	June 12	Cash management and financial forecasting I	BMA 29
4	June 15	Cash management and financial forecasting II	BMA 30-31
5	June 19	Case study: Wilson Lumber Company	HBS Case 9-286-122
6	June 22	Company & project valuation: Valuing corporate debt & valuing companies using multipliers	BMA 23 & 24
7	June 26	Company & project valuation: WACC & APV methods	BMA 20
8	June 29	Company & project valuation: APV & CCF methods	HBS Technical Note 9-201-073
9	July 3	Case study: Dixon Corporation: The Collinsville Plant	HBS Case 9-298-165
10	July 6	Capital structure I	BMA 18
11	July 10	Capital structure II	BMA 19
12	July 13	Corporate payout policy	BMA 17
13	July 17	Case study: Massey Ferguson	HBS Case 9-282-043